

# MAIN STREET MONTANA PROJECT

A BUSINESS PLAN *For Montana by Montanans*

A decorative horizontal bar spanning the width of the page, composed of several colored segments: dark brown, light brown, pink, orange, and olive green. Below the bar, on the right side, is a white silhouette of the state of Montana with a distressed, torn-paper edge effect.

# *For Montana by Montanans*



Steve Bullock  
Governor of Montana

Anyone looking at starting, expanding or relocating a business begins by creating a business plan. It's time Montana does the same.

I created the Main Street Montana Project with one overriding objective: to write a business plan for Montana, by Montanans. This business plan leverages Montana's unique strengths, tackles challenges that may have slowed growth in the past, and dares Montanans to reach higher and with a clearer focus than ever before.

To lead this project, I've tapped two of Montana's top, forward-thinking business leaders—Bill Johnstone of D.A. Davidson and Larry Simkins of the Washington Companies—to put their private sector business know-how to work for the public good. I'm proud to join Bill and Larry in presenting this business plan to the people of Montana.

The best ideas for Main Street come from Main Streets all over Montana, so we began this process by talking with thousands of Montanans from every corner of the state. We heard first-hand the challenges and opportunities facing businesses and workers. We put aside any preconceived ideas about what should happen, and instead focused on what Montanans had to say. We included research and data about Montanans and our economy.

Based on this information, Bill and Larry worked with the Main Street Montana Project team to lay out concrete steps that state and local government, with the private sector, can take to support the businesses and workers of our state. These steps aim to improve our workforce and government systems, encourage innovation, support emerging industries, and market Montana as a great place to live and do business, as well as to vacation. We have also identified region-specific input to help address the diverse challenges that exist across the 147,000 square miles of Montana, as well as recommendations that focus on increasing prosperity in those communities where our First Montanans live.

The goals of the Main Street Montana Project cannot be achieved by my administration alone. We must work together with business and community leaders across the state to achieve a greater prosperity.

I would like to thank Bill and Larry, who have given so generously of their time and talent, and the thousands of Montanans who helped shape this project. This report is the beginning of the process, not the end. The hard work now begins; with my administration, I am committed to working with business and community partners to achieve expanded business opportunities, increased wages and greater prosperity throughout this great state in which we are fortunate to live, work and play.

A stylized, handwritten signature in black ink, which appears to read "JB", followed by a long horizontal flourish line.

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## EXECUTIVE SUMMARY

*By Bill Johnstone of D.A. Davidson and Larry Simkins of the Washington Companies*



**Bill Johnstone**



**Larry Simkins**

In May 2013, Governor Bullock announced the creation of the Main Street Montana Project and asked us to serve as co-chairs. In seeking our involvement, the Governor underscored his commitment that the project would: (1) be non-partisan and driven by the private sector; (2) seek and listen to the thoughts and ideas of Montanans from all parts of the state; (3) result in practical and achievable initiatives to start, attract, retain and grow business, create jobs and improve wages; and (4) establish accountability expectations and standards. The Governor has been true to his word, and our work and this report have been undertaken and developed in that spirit.

Any project to craft a state economic development blueprint should be undertaken with considerable humility, particularly for a state as large and diverse as Montana. State economies are complex, significantly influenced by factors beyond our borders and control, and constantly changing. And, of course, we are not starting from a clean slate. Montana has extraordinary economic resources

and strengths, including its citizens. It also faces certain weaknesses and challenges, some of which are inherent and need to be honestly acknowledged and realistically addressed.

Importantly, the Main Street Montana Project and this report must be seen as a living and dynamic initiative and document. Circumstances will change, and new ideas will surface as this project moves forward. We understand that the cost and availability of health care is a significant factor in economic and employment growth and will be the subject of continuing public policy discussion in the state. As this discussion evolves, we expect that more objectives and tasks related to health and wellness will be identified and included in the project. As it has been formulated, however, we believe the project and report have established a philosophy and framework that will endure over time and help the state and our regions build and maintain a climate in which business and workers can succeed in a thriving economy.



## PUBLIC OUTREACH

Consistent with the Governor's charge, we have spent the past eight months listening to Montanans and collecting and reviewing information from other sources, including some of our surrounding states. Our efforts included the following:

- With the help of state economists, we developed some baseline data relative to demographics, employment, wages and other relevant economic information.
- We convened seven roundtables in each of Montana's five geographic regions and with the tribal communities. Nearly 1,000 citizens participated in the roundtables and provided thoughts and ideas concerning state-wide and regional or tribal economic challenges and opportunities. The roundtable participants were generally representative of business, labor, education, local government, the non-profit sector and other interest groups within the regions.
- We conducted an on-line survey in each county to expand upon what we learned in the roundtables, particularly relative to unique regional and local concerns and ideas. We received about 2,000 responses to this survey.
- We met one on one with a number of business, industry and labor leaders, local government officials, representatives of community organizations, tribal leaders, educators and other interested parties. We also reviewed the presentations and discussions that occurred at the Economic Summit held in Butte in September 2013.



- We visited surrounding states to look at best practices and analyze Montana's regional competitiveness.

The data and information collected from the economists, roundtables and on-line surveys are available in the Research and Data Analysis section of this report and electronically at [http://www.ceic.mt.gov/mainstreet/mainstreet\\_landingpage.aspx](http://www.ceic.mt.gov/mainstreet/mainstreet_landingpage.aspx).





OVERARCHING THEMES

Several key themes emerged as the basis for achieving economic growth and sustainability, creating jobs and improving wages. As a result of our work, we have identified five principles (we call them “Pillars”) as the foundation of an economic development blueprint. We have organized this report around these five pillars:

• ***Train and educate tomorrow’s workforce today.***

The importance of a well-educated, trained and skilled workforce was the most consistent and frequent message we heard from all corners and all constituencies. Key ideas include: (1) the importance of life-time education, from pre-school through adulthood; (2) the alignment of our educational system and programs with the needs of a changing economy; and (3) the importance of engaging the private sector in development of particular job skills through apprenticeship and other programs.



• ***Create a climate that attracts, retains and grows business.***

Montana is a good place to do business, but it can and should be improved. Key ideas include: (1) foster and promote a business-friendly climate while making government more efficient and effective; (2) increase awareness of and access to resources and capital for new and existing businesses; and (3) improve coordination of state, tribal and local development programs and agencies.



• ***Build upon Montana’s economic foundation.***

Montana is known as the Treasure State for good reason. We provide resources that produce energy and wealth, we help feed the nation and world, and we have incredible outdoor opportunities to offer both residents and visitors. Key ideas include: (1) boosting transportation and communications infrastructure to enable exports and trade; (2) responsibly



developing Montana’s natural resources for long-term economic growth, while helping local communities plan for and adjust to impacts of development; and (3) protecting Montana’s valued quality of life and outdoor heritage.

• ***Market Montana.***

We have a good product in Montana. We believe we can improve it. But we also need to do a better job of marketing it. Key ideas include: (1) enhancing and promoting the Montana Brand to recruit businesses, workers and tourists, including an emphasis on marketing initiatives utilizing the Governor; (2) better coordination of our strong tourism marketing with other elements of our economy; and (3) effective investments in marketing tools and programs to increase promotion of Montana-made products and exports.



• ***Nurture emerging industries and businesses and encourage innovation.***

Technology and innovation are increasingly the drivers of economic, job and wage growth across the globe. Montana needs to participate. Key ideas include: (1) supporting and improving education and job training programs and opportunities; (2) enhancing the role of our university system as an incubator of new ideas and technology through its research and development efforts; and (3) supporting new and emerging businesses through access to capital, and financial and marketing education.





THE PLAN

As set forth above, we want this report to be a blueprint for action. Accordingly, the report takes each pillar and identifies a series of more specific goals, objectives and tasks, as well as implementation leaders. The Governor’s Office will play a key leadership role in every objective in this report. To achieve results, this project requires substantial and on-going engagement, assistance and support from the private sector. To this end, the report identifies several key industry networks (“KINs”). Recognized leaders in each network will be identified as the plan is implemented. Examples include helping align our educational system with job opportunities and needs, supporting apprenticeship programs, working to identify and reduce unnecessary regulation, and providing insight into tax policy.

The key industry networks are certainly not the exclusive source of private sector involvement (trade groups and other business and community organizations, entities and individuals will have roles), but they will be essential.

The report also includes a discussion of each region and tribal community. Each has unique challenges and opportunities. We believe many of the principles embodied in the pillars, as well as the more detailed goals and action steps we have outlined, will support and promote economic development and job creation in the regions and Indian Country. However, we believe local communities are in the best position to develop the specific goals, strategies and initiatives that are best suited to their situation.

Many of the report’s ideas and initiatives may be accomplished without legislative change. Some will require action by the legislature. We look forward to continuing the bipartisan work of the Main Street Montana Project in the Montana Legislature and with elected officials.







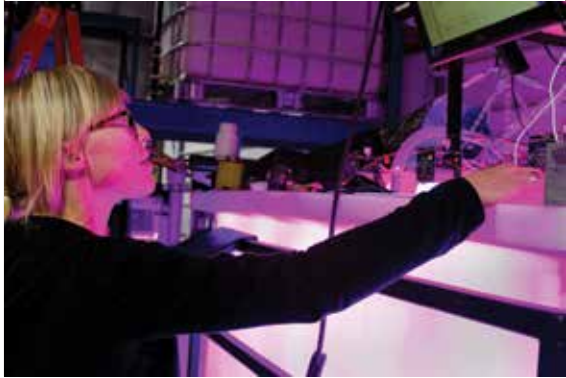
We want tangible results. Measureable goals, monitoring and follow-up are critical to sustain the Main Street Montana Project. In 2015, our team will issue the first annual report that chronicles and measures the successes and shortcomings of executing the blueprint in 2014; reflects the input and engagement of various constituencies; and outlines a revised plan for continuing to move forward. These reports will continue to be issued annually in order to assure there is an ongoing process to monitor the success, and adjust the strategies of this project.

The enthusiastic participation of Montanans throughout the state far exceeded our initial expectations in May 2013. As we implement the plan, we want to continue that effective collaboration. With the continued input and commitment of our fellow Montanans, we will make this blueprint a reality.





MAIN STREET MONTANA PROJECT PILLARS

Train and Educate Tomorrow's Workforce Today	Create a Climate that Attracts, Retains and Grows Businesses	Build Upon Montana's Economic Foundation	Market Montana	Nurture Emerging Industries and Encourage Innovation
Align educational system with the needs of a changing economy	Foster a business-friendly climate through efficient and effective government	Responsibly develop Montana's natural resources for long-term economic growth	Strengthen and promote the Montana brand to recruit businesses, workers and tourists	Strengthen role of universities as technology incubators through research, development and commercialization
Engage private-public partnerships to provide job-training, apprenticeship, and professional development opportunities	Increase access to capital and resources for Montana businesses	Ensure Montana businesses and communities have efficient and reliable infrastructure		Foster innovation and encourage knowledge-based industries to locate and grow in Montana
Provide a lifetime continuum of quality education from preschool through adulthood	Coordinate economic development efforts throughout the state	Protect Montana's quality of life for this and future generations	Increase promotion of Made in Montana products and exports	Support entrepreneurs and small businesses to enhance their potential to achieve growth and stability
				

## TRAIN AND EDUCATE TOMORROW'S WORKFORCE TODAY

One of Montana's key strengths is our highly educated workforce. Ninety-two percent of Montana's population over 25 has a high-school diploma, placing Montana #1 among the 50 states in 2012. Main Street Montana participants recognized our skilled workforce and quality K-12 education systems as important strengths, but participants made a very clear point: we must provide education and training opportunities aligned with the needs of the private sector.

Employers and entrepreneurs want to locate in Montana. We have an incredible quality of life that is coveted nationwide. Our challenge, and our opportunity, is to ensure that when they locate here, we meet their workforce needs.

To meet employers' demand for skilled workers, Montana's workforce development system must align with the dynamic needs of local economies. As the economy changes due to the rapid advancement of new technologies, education and apprenticeship and training programs must be able to quickly respond and adapt to the demands of the marketplace. Forming partnerships among educators, workforce development professionals and the private sector will help identify opportunities to connect education and training to the skills necessary in an ever-changing economy.

While Montana has high rates of educational attainment, we also have the nation's highest level of workers aged 65 and older. Economic projections show Montana's working-age population levelling off in the future, creating a shortage of workers in the traditional working age range. Roundtable and survey respondents also recognized Montana's aging population as a challenge we must address.



Education and training systems can help increase labor force participation and improve job matching by providing access to high quality opportunities for all ages, abilities and aspirations. In a state as large as Montana, access is not just a question of affordability. We need programs accessible throughout the state, meeting the workforce needs of place-bound students and employers. Where appropriate and feasible, online and other distance education tools should be developed and expanded.

Finally, this plan includes a commitment to learning and development at every age, including an investment of state resources in pre-kindergarten. It's time to join the overwhelming majority of states that knows that our investment now will pay off for generations to come.



We call on private industry to fully engage in the development and continued improvement of our education and training system. Together, we can produce a pool of highly skilled and talented workers, improve our state's economic productivity, and set a trajectory for sustained economic growth.

### THREE KEY GOALS

1. Align educational system with the needs of a changing economy
2. Engage private-public partnerships to provide job training, apprenticeship, and professional development opportunities
3. Provide a lifetime continuum of quality education from preschool through adulthood





GOAL: Align educational system with the needs of a changing economy		
Objectives	Tasks	Implementation Leaders
Support efficient, effective and responsive delivery of educational programs designed to meet the needs of businesses and employers	<ul style="list-style-type: none"><li>• With representatives from key industry networks and Montana’s educational system, develop and implement a statewide policy framework to align local, state and national programs serving the needs of training providers, educational institutions and Montana employers</li><li>• Support Montana University System (MUS) efforts to win federal and private grants aimed at better coordination between employers and education system</li><li>• Provide a continuum of training and credential opportunities that promote career advancement</li><li>• Meet local/unique training needs for high demand industries such as healthcare, energy, and technology</li></ul>	<ul style="list-style-type: none"><li>• Montana University System</li><li>• Department of Labor and Industry</li><li>• Key industry networks</li></ul>
Promote community colleges, two-year colleges, and tribal colleges as essential local and regional suppliers of Montana’s trained workforce	<ul style="list-style-type: none"><li>• Increase involvement of employers in formal curriculum development</li><li>• Support continued expansion of comprehensive two-year education mission across Montana’s two-year and community colleges with focus on workforce development, access and academic progression</li></ul>	<ul style="list-style-type: none"><li>• Montana University System</li><li>• Tribal Colleges</li><li>• Department of Labor and Industry</li><li>• Key industry networks</li></ul>
GOAL: Engage private-public partnerships to provide job training, apprenticeship, and professional development opportunities		
Integrate job skills, workforce preparedness and entrepreneurial training into the K-12 education system	<ul style="list-style-type: none"><li>• Make “workforce readiness” skills, including financial, soft skills, entrepreneurial, analytical and teamwork studies part of any curriculum</li><li>• Partner with local workforce development centers to identify training needs that can be met in K-12 setting</li><li>• Align teacher preparation programs with employer needs</li></ul>	<ul style="list-style-type: none"><li>• Office of Public Instruction</li><li>• Department of Labor and Industry</li><li>• Montana University System</li><li>• Key industry networks</li></ul>
Elevate the role of workforce training programs, apprenticeship & training, and other on-the-job programs as essential suppliers of trained workers for industries that drive Montana’s economy	<ul style="list-style-type: none"><li>• Work with local key industry sector leaders to develop apprentice programs filling local industry needs</li><li>• Improve the visibility and strengthen partnerships between Montana’s two-year colleges and training providers, the business community and workforce development entities</li><li>• Expand the Montana Registered Apprenticeship program and market these opportunities in high schools and Montana Job Services</li><li>• Provide opportunities for students to earn credit for prior experience, such as on-the-job and military positions</li></ul>	<ul style="list-style-type: none"><li>• Office of Public Instruction</li><li>• Department of Labor and Industry</li><li>• Montana University System</li><li>• Key industry networks</li></ul>

GOAL: Provide a lifetime continuum of quality education from pre-school through adulthood		
Objectives	Tasks	Implementation Leaders
Improve opportunities for early childhood education	<ul style="list-style-type: none"><li>• Expand pre-K education</li><li>• Cultivate private sector support for early learning</li></ul>	<ul style="list-style-type: none"><li>• Office of Public Instruction</li><li>• Key industry networks</li></ul>
Improve high school student career and college readiness	<ul style="list-style-type: none"><li>• Continue implementing the recommendations in “Graduation Matters Montana”</li><li>• Increase early career exposure through participation in career and technical education courses, career and technical student organizations, experiential learning, and science, technology, engineering, and math (“STEM”) education</li><li>• Ensure Montana Career Information System and Big Sky Pathways programs prepare students for seamless transition from high school to training to the workforce</li><li>• Leverage state and local funds to expand opportunities for Montana’s high school students to enroll in dual college/high school credit courses while in high school</li></ul>	<ul style="list-style-type: none"><li>• Office of Public Instruction</li><li>• Department of Labor and Industry</li><li>• Montana University System</li><li>• Key industry networks</li></ul>
Provide effective and efficient career paths for Montana higher education students and underemployed job seekers	<ul style="list-style-type: none"><li>• Identify Montanans who have incomplete degrees and certifications to provide opportunities for mid-career educational advancement and degree completion</li><li>• Continue efforts to reduce the time students take to complete their degrees</li><li>• Develop return-to-work programs for homemakers, older workers and long-term unemployed/underemployed</li></ul>	<ul style="list-style-type: none"><li>• Office of Public Instruction</li><li>• Department of Labor and Industry</li><li>• Montana University System</li><li>• Key industry networks</li></ul>





## CREATE A CLIMATE THAT ATTRACTS, RETAINS AND GROWS BUSINESSES

We have a strong entrepreneurial spirit in Montana. New businesses have added over 70,000 jobs since 2007, helping to lead the way out of the Great Recession. Over 20 percent (20.3 percent) of Montana households have at least one member who owns a business, ranking Montana fourth highest for business ownership in the nation. This is a great foundation for economic growth—a strength we can leverage to build our own Main Street job opportunities.

Montana businesses will grow and flourish in a business-friendly environment—an environment without unnecessary regulation and where government approaches businesses with a spirit of customer service and assistance. We know job growth comes from the private sector. Government can support that growth by opening doors and providing predictable and transparent regulation, supporting Montana's entrepreneurial spirit and work ethic.

Businesses need access to capital to grow. Creating partnerships between the public and private sector can help identify gaps in lending and investment resources, and address methods for increasing access to capital. Traditional lenders, venture capital funds and angel investors are already operating within our state. Businesses can benefit from improved coordination and promotion of these capital resources, helping us reach our economic goals.



Montana has a complex landscape of economic development organizations that work very hard to promote and grow local and regional economies. Through better coordination and communication, we can help these organizations reach their full potential.

Up and down Main Streets all over Montana, entrepreneurs and workers are providing quality goods and services. Through the recommendations contained here, we hope to open doors and pave the way for continued economic success. By capitalizing on and supporting Montana's entrepreneurial spirit, business will thrive and Montanans will prosper.



## THREE KEY GOALS

1. Foster a business-friendly climate through efficient and effective government
2. Increase access to capital and resources for Montana businesses
3. Coordinate economic development efforts throughout the state



GOAL: Foster a business-friendly climate through efficient and effective government		
Objectives	Tasks	Implementation Leaders
Foster a culture in state government of improved customer service and responsiveness	<ul style="list-style-type: none"><li>• Design and implement a periodic customer service review mechanism for all agencies</li><li>• Conduct internal evaluations in all agencies to identify redundancies and inefficiencies</li><li>• Recruit, hire and promote with customer service in mind</li></ul>	<ul style="list-style-type: none"><li>• Department of Administration</li><li>• Agency directors</li></ul>
Maximize efficiency and effectiveness in the delivery of public services	<ul style="list-style-type: none"><li>• Seek ways to eliminate duplicative processes, reduce the amount of reporting, decrease permitting time and other measures to decrease the burden to businesses and maximize predictability</li><li>• Develop a Business Portal within the Governor’s Office of Economic Development, that ties state and local services to provide a one-stop tool for businesses to access services, permits, pay fees and taxes, and other services to start, operate or expand their business</li><li>• Explore option of offering grants for model local e-government services</li><li>• Streamline and improve the procurement process for state contracts</li></ul>	<ul style="list-style-type: none"><li>• Governor’s Office of Economic Development</li><li>• Department of Administration</li><li>• Agency directors</li><li>• Key industry networks</li></ul>
Eliminate unnecessary state and local regulations for businesses	<ul style="list-style-type: none"><li>• Task agency directors to meet with affected businesses to seek their input and report on what specific rules businesses believe hinder their ability to operate</li><li>• Work with local units of government to identify best practices for reducing outdated or unnecessary regulations and create more efficiency and consistency among local government regulations</li></ul>	<ul style="list-style-type: none"><li>• Governor’s Office of Economic Development</li><li>• Agency directors</li><li>• Local governments</li><li>• Key industry networks</li></ul>
Maintain and enhance Montana’s competitive tax environment	<ul style="list-style-type: none"><li>• Monitor Montana’s overall competitiveness relative to other states</li><li>• Coordinate with private sector to improve and streamline Montana’s tax code to support economic development and job growth</li><li>• Continue to improve on Montana’s workers’ compensation program to reduce premium levels and worker injury rates while still maintaining worker protections</li></ul>	<ul style="list-style-type: none"><li>• Governor’s Office of Economic Development</li><li>• Department of Revenue</li><li>• Department of Labor and Industry</li><li>• Key industry networks</li></ul>
GOAL: Increase access to capital and resources for Montana businesses		
Increase availability and awareness of capital resources available to Montana businesses	<ul style="list-style-type: none"><li>• Identify programs and methods for increasing capital to address specific gaps, including equity challenges faced by start-up and growing businesses</li><li>• Work with lenders to identify government programs they use, and which they avoid, to understand programs needing improvement or elimination</li><li>• Coordinate resources of the State of Montana, private lenders, resource agencies, industry associations and others to make information accessible to Montana businesses</li><li>• Continue and enhance counseling and training programs to educate prospective business owners and small businesses on how to obtain financing and develop business plans</li></ul>	<ul style="list-style-type: none"><li>• Governor’s Office of Economic Development</li><li>• Board of Investments</li><li>• Department of Commerce</li><li>• Key industry networks</li><li>• Regional and local economic development organizations</li></ul>



GOAL: Coordinate economic development efforts throughout the state		
Develop a coordinated economic development effort among state, regional, tribal and local economic development organizations	<ul style="list-style-type: none"><li>• Implement communication, protocols and procedures between state and local economic development organizations for retention and growth of existing companies</li><li>• Develop consistent messaging between state and local economic development organizations</li><li>• Map the economic development efforts of state agencies to identify opportunities to reduce redundancy and points of contacts for clients</li></ul>	<ul style="list-style-type: none"><li>• Governor's Office of Economic Development</li><li>• Governor's Office of Indian Affairs</li><li>• Department of Commerce</li><li>• Regional and local economic development organizations</li></ul>





## BUILD UPON MONTANA'S ECONOMIC FOUNDATION

In 1862, prospectors struck gold in Bannack. Montana's "Eureka!" moment has lasted for 150 years. To this day, the Treasure State continues to produce economic opportunities in farming, ranching, mining, forestry and the state's latest opportunity—the Bakken energy boom in eastern Montana. Montana's bountiful harvests and natural resources have built communities, created jobs, and driven economic growth and prosperity. However, we have learned over the last century and a half that these economic benefits do come at a price. As we reap the rewards of our resource-rich state, it is essential that we strive for long-term, sustainable growth and commit to making investments in our critical infrastructure needs.

In every corner of the state, Montanans named "quality of life" as one of our most important strengths for economic development. It is clear that we Montanans cherish our outdoor heritage—hunting, fishing, skiing, hiking, cycling. Life under the Big Sky is what keeps many of us here and attracts new businesses and workers seeking a better life for their families.



Montanans also noted our state's infrastructure challenges. We heard about pressing transportation and communication needs that must be met to enable Montana-made and Montana-grown goods to reach national and international markets efficiently. Improving communication and transportation will also have the benefit of increasing industry collaboration and innovation, strengthening the supply chain and boosting opportunities to add value to goods and services.

Eastern Montanans resoundingly called for support in community planning, transportation and housing infrastructure. Rural Montanans need upgraded and expanded telecommunications resources to allow businesses to compete in a 21st Century economy. Montana farmers and ranchers feed the world, and improving transportation for exports and value-added opportunities provide avenues for growth in agriculture, one of Montana's foundational industries.

Montana's natural resources and quality of life present an incredible boost to residents and businesses in every one of our 56 counties. We are committed to capitalizing on these assets through responsible, efficient and effective development policies. Working together, we can ensure our prosperity not only today, but for future generations of Montanans.



### THREE KEY GOALS

1. Responsibly develop Montana's natural resources for long-term economic growth
2. Ensure Montana businesses and communities have efficient and reliable infrastructure
3. Protect Montana's quality of life for this and future generations





GOAL: Responsibly develop Montana’s natural resources for long-term economic growth		
Objectives	Tasks	Implementation Leaders
Promote Montana agricultural products by adding value and increasing the accessibility to local, national and international markets	<ul style="list-style-type: none"><li>• Encourage school districts to use locally raised agricultural products in school meal programs</li><li>• Engage the private sector in a study of Montana’s food production and distribution network to identify ways to make it easier for local agricultural producers to sell to local consumers and to national and international markets</li><li>• Support and promote the development of more value-added agriculture processing facilities</li></ul>	<ul style="list-style-type: none"><li>• Department of Agriculture</li><li>• Department of Livestock</li><li>• Office of Public Instruction</li><li>• Department of Transportation</li></ul>
Support responsible and sustainable natural resource development and extraction	<ul style="list-style-type: none"><li>• Support innovations in cleaner mining and natural resource extraction methods, including low carbon coal technology</li><li>• Work with oil, coal, natural gas, mining and energy industries to address transportation and export needs</li><li>• Simplify, streamline and improve predictability of the regulatory processes, while protecting the environment</li></ul>	<ul style="list-style-type: none"><li>• Department of Natural Resources and Conservation</li><li>• Key industry networks</li><li>• Department of Environmental Quality</li></ul>
Support development, expansion and exportation of renewable energy resources	<ul style="list-style-type: none"><li>• Support development of new wind farms and transmission opportunities</li><li>• Support continued use and expansion of hydropower resources</li><li>• Explore opportunities to develop and expand biofuel technologies and energy generation</li></ul>	<ul style="list-style-type: none"><li>• Department of Commerce</li><li>• Governor’s Office of Economic Development</li><li>• Department of Environmental Quality</li><li>• Key industry networks</li></ul>
Increase the number of forest management projects on National Forest Lands that produce commercial forest products, reduce wildfire risks, protect wildlife habitat, and protect Montana’s watersheds	<ul style="list-style-type: none"><li>• Assist with planning and implementation of existing collaborative forest management projects that are delayed by litigation, lack of funding, or scientific analysis issues</li><li>• Identify priority watersheds for treatment and communicate directly to U.S. Secretary of Agriculture as allowed in the 2014 Farm Bill</li><li>• Select projects of less than 3,000 acres for consideration by the Secretary for implementation using 2014 Farm Bill Authorities</li><li>• Execute and implement at least two supplemental project agreements under the 2013 DNRC/USFS Master Stewardship Agreement</li></ul>	<ul style="list-style-type: none"><li>• Department of Natural Resources and Conservation</li><li>• UM College of Forestry and Conservation</li><li>• Key industry networks</li></ul>
Create jobs and improve Montana’s environment by cleaning up abandoned and/or polluted sites	<ul style="list-style-type: none"><li>• Reduce backlog of Superfund sites</li><li>• Ensure successful cleanup of federal Superfund sites</li></ul>	<ul style="list-style-type: none"><li>• Department of Environmental Quality</li></ul>

GOAL: Ensure Montana businesses and communities have efficient and reliable infrastructure		
Objectives	Tasks	Implementation Leaders
Enhance broadband and telecommunications access across Montana	<ul style="list-style-type: none"><li>• Study telecommunications across the state and provide recommendations to increase access to broadband, especially in rural areas</li><li>• Help establish initiatives in pilot communities and adopt best practices to encourage broadband infrastructure development</li></ul>	<ul style="list-style-type: none"><li>• Department of Commerce</li><li>• Governor’s Office of Economic Development</li><li>• Key industry networks</li></ul>
Address regional air, highway and rail transportation needs	<ul style="list-style-type: none"><li>• Convene regional development teams to identify opportunities to address human and commercial transportation availability and cost</li><li>• Improve accessibility and sustainability of commercial air service</li></ul>	<ul style="list-style-type: none"><li>• Department of Commerce</li><li>• Department of Transportation</li><li>• Key industry networks</li></ul>
Improve community planning and resources for community development and local infrastructure needs	<ul style="list-style-type: none"><li>• Consider avenues for additional resources and authority to help communities finance necessary infrastructure</li><li>• Direct state agencies to assist and cooperate with local communities in planning for capital improvements and budgeting for priorities</li><li>• Provide a template for a local Capital Improvement Plan</li><li>• Provide technical planning resources</li><li>• Leverage existing resources to assist local efforts to make downtowns desirable places to do business</li><li>• Improve the competitiveness of rural communities for grants and funding</li></ul>	<ul style="list-style-type: none"><li>• Department of Commerce</li><li>• Department of Transportation</li><li>• Montana Association of Counties</li><li>• Montana League of Cities and Towns</li><li>• Local governments</li></ul>
GOAL: Protect Montana quality of life for this and future generations		
Maintain the long-term viability of fish, wildlife, and cultural resources in order to provide abundant public opportunity for the enjoyment of Montana’s recreational amenities	<ul style="list-style-type: none"><li>• Conduct an updated assessment of the contribution hunting, fishing and outdoor recreation make to Montana’s economy</li><li>• Identify new opportunities for working with private and public landowners and partners to better steward, restore and conserve habitat and heritage resources</li><li>• Find ways to better understand public expectations, satisfy customers, and fulfill the needs of emerging recreation-based businesses</li></ul>	<ul style="list-style-type: none"><li>• Department of Fish, Wildlife and Parks</li><li>• Department of Natural Resources and Conservation</li><li>• Department of Commerce</li><li>• Key industry networks</li></ul>
Provide assistance and support to local community growth planning processes to ensure protection of high quality of life	<ul style="list-style-type: none"><li>• Work with local communities to address development impacts and plan for future growth</li><li>• Convene partnerships between private industry, local leadership and the state to develop housing, public health and safety, and local infrastructure strategies for sustainable growth and development</li></ul>	<ul style="list-style-type: none"><li>• Department of Commerce</li><li>• Governor’s Office of Economic Development</li><li>• Key industry networks</li><li>• Local governments</li></ul>



MARKET MONTANA

In Montana, we know “the last best place” is more than a slogan. It is simply a fact that Montana is one of the best places to live, work and raise a family.

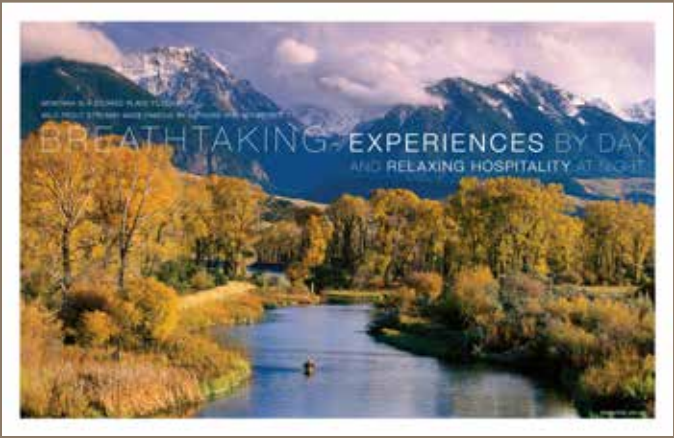
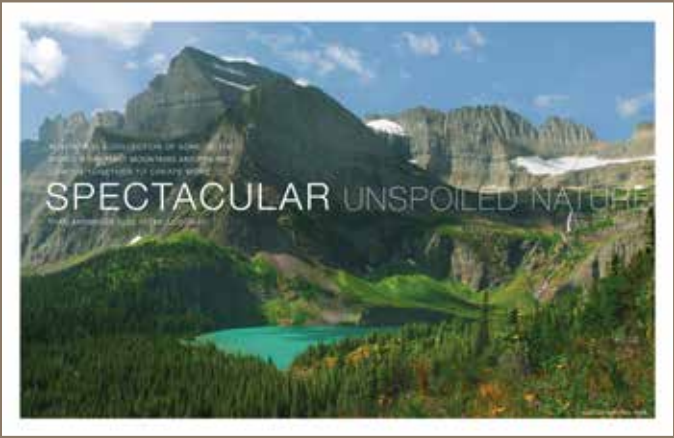
It is abundantly clear that business leaders and the many other Montanans who participated in the Main Street Montana Project see our quality of life as our greatest strength. Quality of life means different things to different people. To some, quality of life lies in the sun-soaked plains in the east and the snowcapped peaks of the west. To others, it’s our strong work ethic and small town character, diverse recreational opportunities, or our safe streets and great schools.

It’s clear we have to capitalize on our strengths. We have to position ourselves so our greatest strengths are evident and become our greatest assets as we attract new businesses, new employees and new customers.

We have to market Montana. In doing so, we certainly need to continue to attract visitors to come and enjoy the beauty, recreation and amenities our state offers. More importantly, however, we need to develop a strategic plan to demonstrate to prospective businesses that Montana is where they should set up shop.



Businesses choose where they locate. Economists call the factors businesses base their choices upon “locational factors.” For some industries, the most important locational factors are proximity to transportation systems or the skills of the community’s workforce. For others, top factors are land values, or geology. Montana needs a strategic plan that recognizes our strongest locational factors. The plan must identify the types of businesses and sectors of the economy that require locational factors that match our strengths. We then can market Montana directly to the primary targets that are the best match and most likely to make the move.



Main Street Montana participants considered tourism as a top strength within every region in the state. The programs in place promoting Montana as a tourist destination are very successful at increasing visitors. These programs can be strengthened and expanded. New markets can be explored and developed. We can take the lessons learned from past success in tourism and transfer that knowledge to other marketing efforts across state agencies. Montanans want an effective government, and this is a perfect example of how coordination and sharing ideas can benefit our whole economy.

Capitalizing upon the opportunity to expand the markets for Montana-made and grown products (“Made in Montana”) will help Montana business grow. Creating an online directory of Made in Montana products can increase exposure for businesses. International outreach and trade missions can incorporate the Montana Brand into messaging.

TWO KEY GOALS

- 1. Strengthen and promote the Montana Brand to recruit businesses and workers
- 2. Increase promotion of Montana-made products and exports

GOAL: Strengthen and promote the Montana Brand to recruit businesses and workers		
Objectives	Tasks	Implementation Leaders
Leverage the Montana Brand into a statewide business and employee recruitment and retention strategy focused on Montana’s strengths	<ul style="list-style-type: none"><li>Set strategic priorities based on key Montana statistics, rankings and facts relating to business environment and quality of life</li><li>Market Montana quality of life to key audiences in business and worker recruitment efforts</li><li>Support Governor’s role as key spokesman in promoting Montana Brand</li><li>Capitalize on cross-collaboration between tourism and business recruitment strategies</li><li>Coordinate resources and messaging with local economic development organizations</li><li>Provide Montana Brand support and assistance for state and local departments and agencies involved in marketing Montana</li></ul>	<ul style="list-style-type: none"><li>Department of Commerce</li><li>Governor’s Office of Economic Development</li><li>Agency directors</li><li>Chambers of Commerce</li><li>Key industry networks</li></ul>
Increase the reach of Montana’s tourism marketing	<ul style="list-style-type: none"><li>Work with partners to project the authenticity of the Montana visitor experience through brand-consistent marketing and promotion</li></ul>	<ul style="list-style-type: none"><li>Governor’s Office of Economic Development</li><li>Department of Commerce</li></ul>
Strengthen support systems/ provide resources to promote Montana businesses and products	<ul style="list-style-type: none"><li>Encourage successful Montana businesses to champion the state as a business location</li><li>Highlight successful businesses and industries in public forums (website, events)</li></ul>	<ul style="list-style-type: none"><li>Department of Commerce</li><li>Governor’s Office of Economic Development</li><li>Department of Natural Resources and Conservation</li><li>Key industry networks</li></ul>
GOAL: Increase promotion of Made in Montana products and exports		
Establish and strengthen trade partnerships overseas	<ul style="list-style-type: none"><li>Arrange domestic and international prospecting and trade missions to meet with target companies</li><li>Incorporate the Montana Brand in international outreach efforts</li><li>Elevate role of Governor in marketing Made in Montana products to national and international markets</li></ul>	<ul style="list-style-type: none"><li>Governor’s Office of Economic Development</li><li>Department of Commerce</li></ul>
Market Made in Montana products to Montana customers	<ul style="list-style-type: none"><li>Increase awareness of Made in Montana agricultural products in Montana communities</li><li>Increase awareness of state procurement laws that allow state facilities to purchase Montana-produced food either directly or under relaxed procurement procedures</li></ul>	<ul style="list-style-type: none"><li>Governor’s Office of Economic Development</li><li>Department of Commerce</li><li>Department of Agriculture</li><li>Department of Administration</li></ul>



## NURTURE EMERGING INDUSTRIES AND ENCOURAGE INNOVATION

Technology and innovation are drivers of new job growth. Northwest and Southwest Montana have seen robust growth in technology and high tech manufacturing. In the east, the economy has benefited from new techniques to drill oil; in agricultural areas, farmers have had great success using precision agriculture. We need to be nimble and responsive to keep up with a rapidly changing global economy and ever-improving technologies by nurturing emerging industries and encouraging innovation.

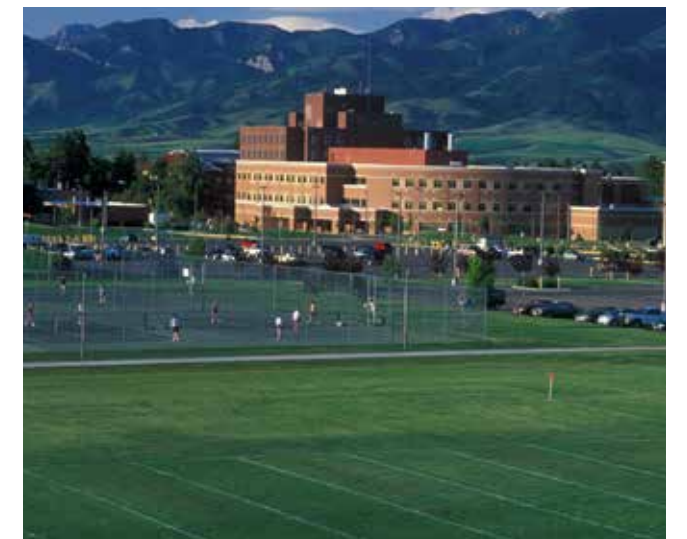
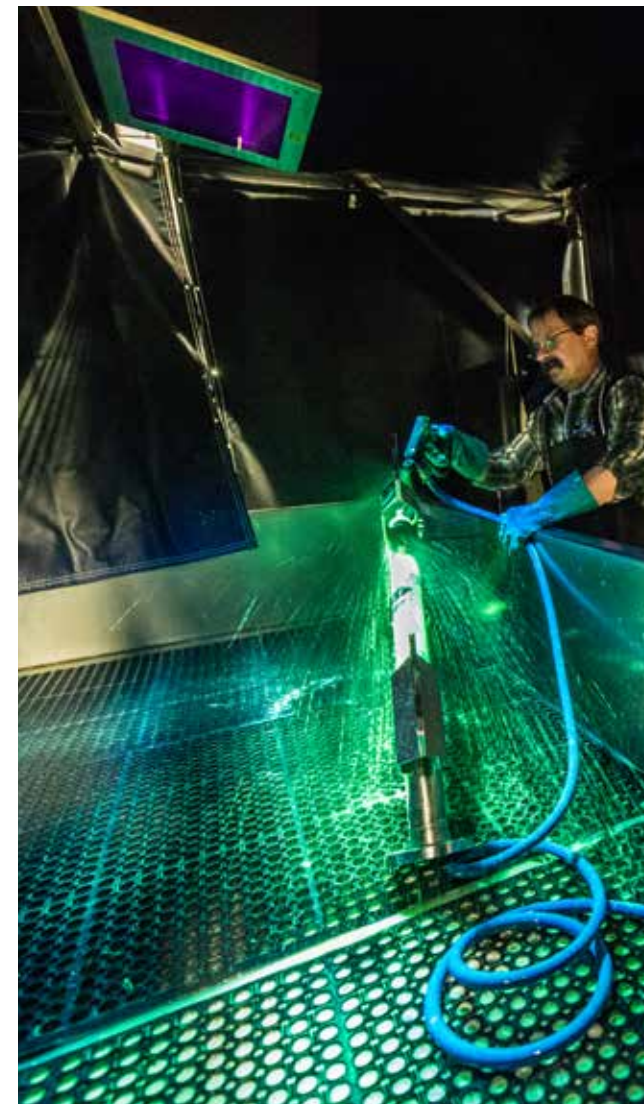
The surveys, roundtables and meetings with business leaders throughout the state identified diversifying the economic base as one of the Montana Main Street Montana Project's top goals. Technology and innovation are opportunities that can lead to expansion of new and existing industries. To help diversify Montana's economic base, we can identify and support opportunities to develop potentially high growth industries such as knowledge-based services, which export ideas and services.

Education is vitally important to emerging industries and to encourage innovation. Partnerships between our universities and business communities that move ideas to market already exist. These successful partnerships can serve as models for other Montana communities. Two-year colleges can and must quickly respond to changing skill sets required by new programs, software or machinery. Maximizing the responsiveness of two-year colleges will help the workforce adjust in a dynamic economy.



The natural challenges associated with having large distances between businesses have prevented the spread of best practices within industries, and limited the development of in-state supply chains across industries. Many business and community leaders who attended the roundtable events asked for more networking opportunities across the state and across different sectors of the economy. For example, participants suggested that university researchers and innovators need to communicate with businesses to understand production processes so that new commercial technologies to improve efficiency can be developed. In turn, these innovators need start-up capital and customers so that productivity-enhancing technologies can rapidly spread through Montana's economy.

Innovation is important to all industries, including emerging as well as traditional Montana industries. We must continue to promote technology and innovation in our traditional industries, such as precision agriculture in wheat farms, clean resource extraction methods, and technologies that improve worker productivity.



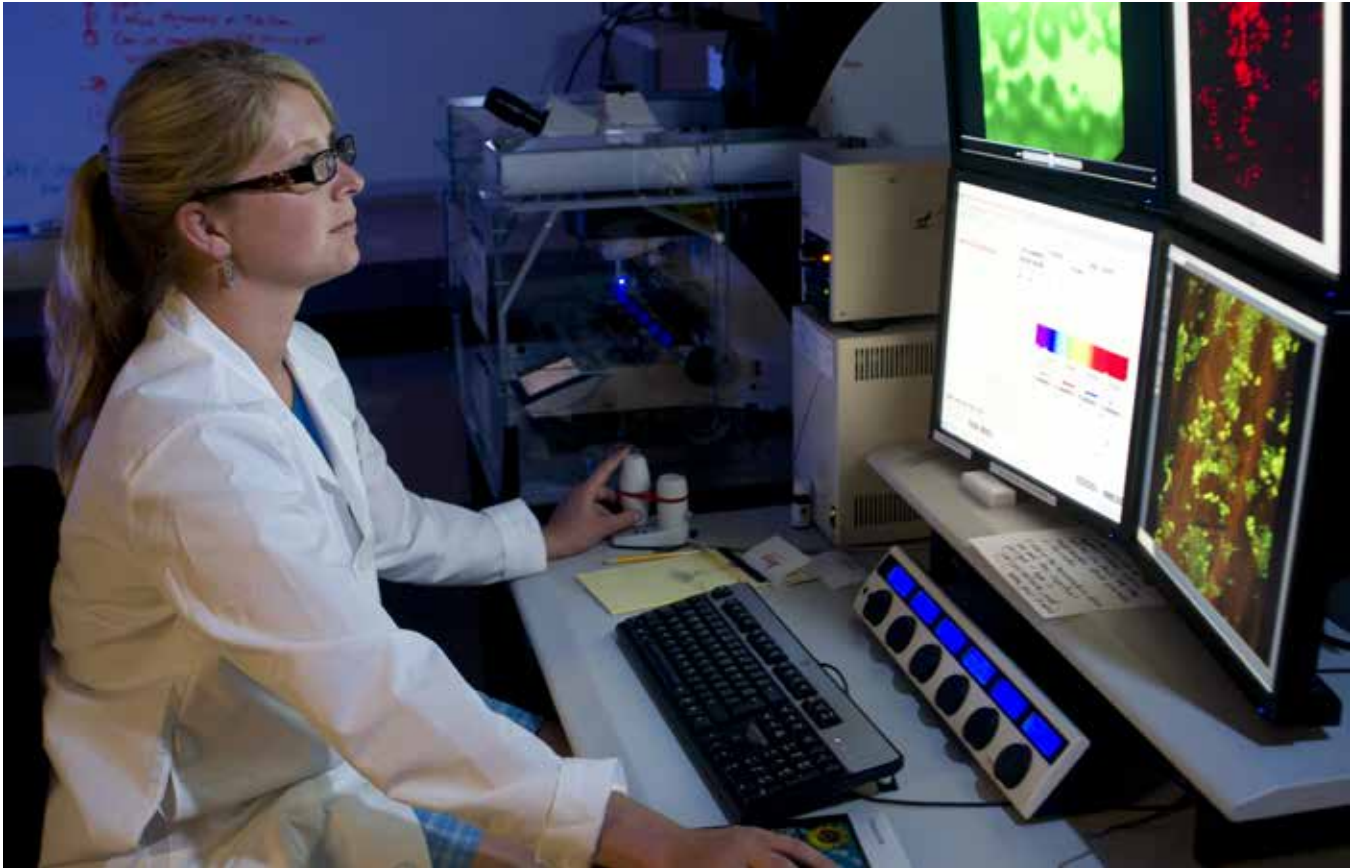
### THREE KEY GOALS

1. Strengthen role of universities as technology incubators through research, development and commercialization
2. Foster innovation and support knowledge-based industry efforts to locate and grow in Montana
3. Support entrepreneurs and small businesses to enhance their potential to achieve growth and sustainability

GOAL: Strengthen role of universities as technology incubators through research, development and commercialization		
Objectives	Tasks	Implementation Leaders
Strengthen research partnerships between post-secondary institutions and the private sector to find private funding streams to stimulate innovation and growth	<ul style="list-style-type: none"><li>• Support innovative campus and business efforts to commercialize research projects (tech transfer) in areas of economic growth</li><li>• Establish a public-private partnership fund for endowed research scholarships</li><li>• Investigate public and private permanent funding mechanisms for research grants and scholarships</li><li>• Establish strategies to recruit and retain nationally competitive faculty and researchers in order to expand the research and development capacity of the state</li><li>• Support innovation in traditional Montana industries, such as agriculture, forestry, and energy to increase capacity, encourage growth, and develop cleaner technologies</li></ul>	<ul style="list-style-type: none"><li>• Governor's Office of Economic Development</li><li>• Montana University System</li><li>• Key industry networks</li></ul>
Support efforts of the Montana Technology Innovation Partnership	<ul style="list-style-type: none"><li>• Coordinate with post-secondary education systems to identify programs needed to create the workforce for existing and future technological businesses</li><li>• Expand and enhance successful public-private partnerships that focus on research, technology and innovation such as Innovate Montana and MSU's Center for Entrepreneurship for the New West</li><li>• Identify new partnerships to expand access to entrepreneurial training</li></ul>	<ul style="list-style-type: none"><li>• Department of Commerce</li><li>• Governor's Office of Economic Development</li><li>• Montana University System</li><li>• Key industry networks</li></ul>
GOAL: Foster innovation and encourage knowledge-based industries to locate and grow in Montana		
Stimulate investment in innovation and startup companies	<ul style="list-style-type: none"><li>• Investigate how other states successfully incentivize innovation, through tax credits or other means, to identify strategies that would work in Montana</li><li>• Coordinate state and local efforts to identify potential funding sources</li></ul>	<ul style="list-style-type: none"><li>• Governor's Office of Economic Development</li><li>• Board of Investment</li><li>• Key industry networks</li></ul>
Support workforce needs and opportunities of high tech industry and knowledge-based economy	<ul style="list-style-type: none"><li>• Ensure that education and workforce development systems respond to changing technologies and industry demands</li><li>• Provide opportunities for STEM education across the education continuum</li><li>• Partner with emerging industries to determine current and future workforce training needs</li><li>• Inform and market to high school students the opportunities in and educational requirements for careers in high tech and a knowledge-based economy</li></ul>	<ul style="list-style-type: none"><li>• Montana University System</li><li>• Department of Labor and Industry</li><li>• Office of Public Instruction</li></ul>



GOAL: Support entrepreneurs and small businesses to enhance their potential to achieve growth and sustainability		
Objectives	Tasks	Implementation Leaders
Help prospective entrepreneurs get started	<ul style="list-style-type: none"><li>• Create a digital information clearinghouse centered on entrepreneurial training programs, existing business networks, financing opportunities and other resources</li><li>• Engage MSU/UM entrepreneurial programs and resources</li></ul>	<ul style="list-style-type: none"><li>• Department of Commerce</li><li>• Governor’s Office of Economic Development</li><li>• Montana University System</li><li>• Key industry networks</li></ul>
Encourage successful entrepreneurs and serial entrepreneurs to be visible role models and give back to new businesses	<ul style="list-style-type: none"><li>• Develop a statewide network of business mentors from specific industries and sectors</li><li>• Identify and recruit companies with high growth potential to participate</li></ul>	<ul style="list-style-type: none"><li>• Governor’s Office of Economic Development</li><li>• Department of Commerce</li><li>• Blackstone Launch Pad</li><li>• Key industry networks</li></ul>





INDIAN COUNTRY

As diverse as our big skies, rolling prairies and majestic mountains, Native Americans are part of Montana’s spirit and culture. They are also a part of our economy. Today, 12 Tribal Nations call Montana home. Eleven of these nations reside within the seven reservations, while the Little Shell Band of the Chippewa seeks federal recognition for a land base of its own. The tribes retain powers of self-governance, making decisions that affect their economies both separate from and in concert with the state. Outside reservation boundaries, there are thousands of enrolled members of the 12 nations living in Montana and those in other states. In addition, many Native Americans living on and off-reservation are not enrolled members in a tribe. The 2010 U.S. Census shows the Native American population is increasing in urban, off-reservation areas.



The Main Street Montana Project Indian Country survey included information from Native Americans and non-Native residents living on and off the reservation. In Indian Country, basic themes emerged similar to the rest of the state. Participants in the survey, the roundtables and one-on-one conversations focused on the importance of education, the need for a business-friendly climate, ideas for marketing what makes us unique, and a call for innovation and expanding our economy. The five pillars apply to Indian Country as to other communities within the state.

Participants viewed education as the greatest asset for promoting economic strength in Indian Country. Tribal colleges are a source of economic opportunity and cultural learning, with potential for contributing even more. There are a number of programs in place to help prepare students for college and work. These programs need additional support to increase graduation rates and college preparation. Improving coordination between tribal colleges and the state university system will help students transfer between the two systems, opening up more learning opportunities. Businesses also need tribal workforce training programs that include technical skills and on-the-job training. Fostering work-readiness skills and mentoring efforts will help workers and their employers succeed. Programs that focus on culturally appropriate entrepreneurial skills, managerial skills and financial literacy are in demand and will help prospective business owners get started and be successful over time.





Main Street  
**MONTANA**  
Project

*For Montana by Montanans*

In Indian County, Main Street participants set clear priorities to increase access to capital and encourage growth of existing businesses. Increased promotion of programs such as the Montana Indian Equity Fund and the State Tribal Economic Development Commission (STEDC) Indian Equity Fund, Native Community Financial Institutions and tribal revolving loan funds will increase access to capital for Indian businesses. The STEDC strategic plan includes directives to connect businesses to programs that offer technical assistance and recruit businesses to locate in reservation communities. Implementing these strategies will also help prepare businesses to be competitive and grow. Increasing the infrastructure capacity, including broadband, is also a high priority.

Legal and cultural barriers between Native-owned businesses and lenders can be identified and addressed. Tribal Nations and their members are increasingly interacting commercially with lenders and businesses outside of reservations. Tribal Nations have the opportunity to strengthen their sovereignty by adopting the Model Secured Transaction Act to simplify transactions and increase access to affordable credit. The State of Montana can collaborate and support economic development efforts with tribes, incorporating the Montana Brand where appropriate, and highlighting the reservations’ unique strengths, including cultural resources, the arts, and the Tribes’ large land base.



A barrier to economic growth in Indian Country cited by participants is a lack of understanding by companies with regard to doing business on reservations. One way to address this is to ask the STEDC to provide ambassadors to communicate and advocate with private interests, helping business owners make use of the unique opportunities for doing business on Montana’s reservations.



PILLAR: Train and educate tomorrow's workforce today		
Objectives	Tasks	Implementation Leaders
Support higher education and training opportunities for Native American students	<ul style="list-style-type: none"><li>Continue state support of tribal colleges through tribal non-beneficiary appropriation</li><li>Improve coordination and transferability of credits between tribal colleges and Montana University System</li><li>Coordinate with private industry to ensure demand-driven priorities in education and training</li></ul>	<ul style="list-style-type: none"><li>Tribal colleges</li><li>Montana University System</li><li>Key industry networks</li></ul>
Support high school graduation and K-12 workforce and college readiness	<ul style="list-style-type: none"><li>Provide soft skills training programs through local workforce development centers</li><li>Support Adult Basic Learning and Education programs at tribal colleges and K-12 schools</li><li>Support Schools of Promise and other culturally relevant initiatives promoting excellence and achievement in K-12 education</li></ul>	<ul style="list-style-type: none"><li>Tribal colleges</li><li>Office of Public Instruction</li><li>Department of Labor and Industry</li><li>Montana University System</li></ul>
PILLAR: Create a climate that attracts, retains and grows businesses		
Improve access to capital for new and existing businesses located in Indian Country	<ul style="list-style-type: none"><li>Identify legal and cultural barriers to business development and develop strategies to overcome these barriers</li><li>Support business and economic development programs that provide capital resources in Indian Country, such as the Indian Country Economic Development program</li><li>Support Native Community Development Financial Institutions</li><li>Promote understanding of state-Tribal Uniform Commercial Codes and Model Secure Transactions Act to foster investment and relationships between Indian and non-Indian</li></ul>	<ul style="list-style-type: none"><li>Tribal governments</li><li>Governor's Office of Indian Affairs</li><li>University of Montana School of Law</li><li>Governor's Office of Economic Development</li><li>Department of Commerce</li><li>Key industry networks</li></ul>
Coordinate efforts to attract businesses to Indian Country	<ul style="list-style-type: none"><li>Advocate, in partnership with Tribal Nations, for federal policies that promote economic and community development in Indian Country</li><li>Highlight opportunities and strengths of Montana's reservation communities</li><li>Coordinate with Native economic development organizations and tribal governments</li></ul>	<ul style="list-style-type: none"><li>Tribal governments</li><li>Governor's Office of Indian Affairs</li><li>Governor's Office of Economic Development</li><li>Department of Commerce</li><li>Key industry networks</li><li>Native economic development organizations</li></ul>



PILLAR: Build upon Montana’s economic foundation		
Objectives	Tasks	Implementation Leaders
Support infrastructure development that enables economic growth	<ul style="list-style-type: none"><li>• Support water and irrigation projects</li><li>• Study broadband and communications connectivity issues and challenges, and identify potential ways to address those issues and challenges</li></ul>	<ul style="list-style-type: none"><li>• Tribal governments</li><li>• Governor’s Office of Indian Affairs</li><li>• Department of Commerce</li><li>• Department of Natural Resources and Conservation</li><li>• Key industry networks</li></ul>
Support high school graduation and K-12 workforce and college readiness	<ul style="list-style-type: none"><li>• Provide soft skills training programs through local workforce development centers</li><li>• Support Adult Basic Learning and Education programs at tribal colleges and K-12 schools</li><li>• Support Schools of Promise and other culturally relevant initiatives promoting excellence and achievement in K-12 education</li></ul>	<ul style="list-style-type: none"><li>• Tribal colleges</li><li>• Office of Public Instruction</li><li>• Department of Labor &amp; Industry</li><li>• Montana University System</li></ul>
PILLAR: Market Montana		
Increase tribal tourism and promotion	<ul style="list-style-type: none"><li>• Conduct a region-wide tourism assessment to identify opportunities, capitalize on strengths, address weaknesses, and coordinate efforts</li><li>• Include Indian Country in statewide economic development and recruitment strategies and policies</li><li>• Market advantages of doing business on reservations</li></ul>	<ul style="list-style-type: none"><li>• Tribal governments</li><li>• Governor’s Office of Indian Affairs</li><li>• Department of Commerce</li><li>• Department of Natural Resources and Conservation</li><li>• Key industry networks</li></ul>
Promote quality of life and responsible resource development	<ul style="list-style-type: none"><li>• Coordinate with Tribal Nations on reclamation projects</li><li>• Advocate, in partnership with Tribal Nations, for streamlined federal permitting policies</li></ul>	<ul style="list-style-type: none"><li>• Tribal governments</li><li>• Governor’s Office of Indian Affairs</li><li>• Governor’s Office of Economic Development</li><li>• Department of Commerce</li><li>• Key industry networks</li><li>• Native economic development</li></ul>

PILLAR: Nurture emerging industries and encourage innovation		
Objectives	Tasks	Implementation Leaders
Promote entrepreneurialism and innovation in Indian Country	<ul style="list-style-type: none"><li>Facilitate data-driven business and policy decisions through improvements to economic data collection and dissemination</li><li>Promote and support unique business opportunities</li><li>Support mentoring and communication between Indian and non-Indian entrepreneurs</li></ul>	<ul style="list-style-type: none"><li>Tribal governments</li><li>Department of Labor and Industry</li><li>Governor’s Office of Indian Affairs</li><li>Department of Commerce</li><li>Key industry networks</li></ul>







## NORTHWEST REGION

**Counties:** *Flathead, Lake, Lincoln, Mineral, Missoula, Ravalli, Sanders*

The Northwest Region is a landscape of great contrast. Home to some of the most remote areas and vast timberlands in the lower 48 states, this region is also home to almost one third of the state's population. The Highway 93 corridor, linking communities from Eureka to Darby, is one of the most densely populated and culturally rich areas of the state. In addition to seven counties, the region includes the Flathead Indian Reservation, home to the Bitterroot Salish, Kootenai and Pend d'Oreille peoples of the Confederated Salish & Kootenai Tribes. The Northwest Region includes an active workforce of more than 140,000 people.

With natural amenities like Glacier National Park, the Bob Marshall Wilderness and Flathead Lake, it is no surprise that residents of the Northwest Region consider outdoor recreation and the quality of the natural environment to be the region's greatest strengths. These qualities, along with the area's unique culture, can be used to develop branding and recruitment strategies that attract the entrepreneurs and skilled workers needed to build existing and future businesses.

With the University of Montana in Missoula, Flathead Valley Community College in Kalispell, Bitterroot College-UM in Hamilton, Missoula College-UM, and Salish Kootenai College in Pablo, the region has outstanding higher education and workforce development resources. These resources are already establishing public-private partnerships that increase the knowledge base and income potential of the region's workers. They also provide emerging businesses with exceptional research and development opportunities. Building on the successes of these programs will provide long term benefits to the regional and state economy.

The quality of life in the Northwest Region and the close proximity to population centers across Montana's northern border make tourism, marketing and business development with Canadian firms an obvious opportunity. Likewise, the Northwest is home to excellent healthcare centers that support wellness, provide high paying jobs, and attract older and seasonal residents. Efforts to partner the education and workforce development centers with the needs of the growing medical service industry make the Northwest Region more robust and economically

diverse. More jobs in the healthcare field will help reverse one of the region's (and the state's) biggest challenges—relatively low wages.

Using the region's timber resources in innovative ways, like the biomass fuel electricity co-generator in Columbia Falls and the biomass boiler heating schools in Darby, provides leadership in the field of renewable energy. Pockets of advanced manufacturing and high tech industries have emerged in the region as well, providing good jobs in both urban centers and small, timber and ranch towns. Continuing efforts to cultivate new start-ups, providing business development services, on-going worker training, and capitalizing on the region's resources and beauty will help grow these sectors of the economy and strengthen the economic base.

## SOUTHWEST REGION

**Counties: Beaverhead, Broadwater, Deer Lodge, Gallatin, Granite, Jefferson, Lewis & Clark, Madison, Meagher, Park, Powell, Silver Bow, Sweet Grass**

Home to Montana's capital city, Helena, the Southwest Region is Montana's birthplace. In 1858, gold was discovered in waters flowing from the Flint Range, and the rush of miners and boom in population that followed resulted in Montana's admission to the Union in 1889. The region is flush with history and culture, still living with us today through the sagebrush on the Nez Perce Historic Trail high in the Big Hole Valley, and the wooden boardwalks in the mining town of Virginia City. It is a history where economic boom times in Butte coincided with monumental acts of preservation in Yellowstone. Called America's Greatest Idea, the designation of Yellowstone National Park as

the world's first national park has protected the iconic landscape for generations. Montana is the Gateway to Yellowstone, and local communities benefit every year from the thousands of visitors drawn to the Park's natural wonders. The 13 counties in the Southwest Region are crisscrossed

by two major interstates connecting the cities of Butte, Dillon, Deer Lodge, Bozeman, Helena and beyond. Around 260,000 people, half of them in the workforce, call Southwest Montana home.

The profound history, scenic splendor and world class recreation are among the assets that contribute to the Southwest Region's high quality of life. It's what makes this region, and all of Montana for that matter, unique in a competitive global economy. The grass is greener in Montana, and our quality of life can attract top talent and knowledge-based businesses looking for a great place to live.

Driven by innovation and advances in technology, partnerships between private business and the region's workforce and education system are linking research to commercialization in areas like geographical information science and optical electronics, propelling economic development and expanding the economic base. The region's access to high value advanced training and nationally recognized higher education programs are a significant asset and opportunity to develop a technically skilled workforce. With Montana State University and Gallatin College-MSU in Bozeman, the University of Montana-Western in Dillon, Helena College-UM and Carroll College

in Helena and Montana Tech and Highlands College of MT Tech in Butte, the doors are open for career opportunities and wage growth in these communities.

The Bozeman Yellowstone International Airport is the busiest in the state. Tourism, driven by Yellowstone National Park and year-round world class recreation, is considered the region's greatest economic opportunity. Whether for the skiing, fishing, whitewater or wildlife, people come from all over the world to visit Southwest Montana.

While the economy of the region is growing, adding 2,860 jobs in 2012 for a growth rate of 2.2 percent, challenges remain. Residents in the Southwest Region see a need to overcome low wages and find opportunities to help struggling downtown businesses. Survey respondents expressed a sentiment that Main Streets in rural communities are hurting, despite the region's overall economic growth.



## NORTH CENTRAL REGION

**Counties:** *Blaine, Cascade, Chouteau, Glacier, Hill, Liberty, Phillips, Pondera, Teton, Toole*

Where the mountains meet the plains, the 10 counties of the North Central Region are home to 150,000 people, the largest military installation in the state, the Blackfeet Reservation, the Chippewa Cree of the Rocky Boy's Reservation, and the Fort Belknap Reservation, home of the Gros Ventre and Assiniboiné Tribes. North Central Montana lays claim to many of Montana's most iconic places. The Rocky Mountain Front, an area of immense diversity of wildlife and fauna, creates the western boundary. The Missouri River Breaks, famous for its trophy bull elk, looks much the same as it did when Lewis and Clark visited these waters 200 years ago. The Great Falls of the Missouri, roaring over the five sandstone steps, gives the largest city in the region its name. Charlie Russell, one of the most famous painters of the American West, called this country home.

North Central Montana has a workforce of approximately 65,000 people. Known as Montana's Golden Triangle, agriculture is a critical driver of the economy and culture. The region is also a leader in renewable energy development, including generation of both wind and hydroelectric power.

Whether hunting pheasants or mule deer bucks along the Rocky Mountain Front or hiking the rounded hills of the Bear Paw Mountains, the people of the North Central Region see the quality of life afforded by outdoor recreation and the natural environment as strengths. However, many North Central communities have aging populations. Without an influx of new workers and growth in the working-age population, sustainability will become an even greater issue over time.

North Central Montana is pursuing business growth and recruitment opportunities. Agriculture is a key economic driver in the region, and survey respondents recognized value-added agriculture and diversification as important opportunities. Partnerships such as the AgriTech Park in Great Falls create locational opportunities for agri-processing as well as other industries, capitalizing on the resources and advantages the community offers.

Energy projects can potentially diversify the region's economy and increase wages. Whether through expansion of current facilities or new developments, both renewable and nonrenewable energy sectors are poised for growth. The

region's institutions of higher education connect the workforce to these emerging economic opportunities. MSU-Northern in Havre, Great Falls College MSU and the University of Great Falls, Aaniiih Nakoda College in Fort Belknap, Blackfeet Community College in Browning, and Stone Child College in Box Elder provide opportunities for higher education that span North Central Montana. A national leader in bio-fuel research, the MSU-Northern Bio-Energy Research Center is a state-of-the-art facility working to develop patents converting bio-fuels into commercially viable jet fuels.

Expanding connections with our neighbors to the north is good news for businesses. Partnering with Canadian businesses and exporting our products north creates jobs and improves wages. Education, quality of life, and manufacturing driven by the oil, gas and coal industries may create new economic opportunities for Montanans in the North Central region.



## SOUTH CENTRAL REGION

**Counties:** *Big Horn, Carbon, Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, Stillwater, Wheatland, Yellowstone*

From the high alpine tundra of the Absaroka-Beartooth Wilderness to the meandering Musselshell River, the South Central Region is a landscape as diverse as any in the nation. Small towns dot the landscape and yet the region is home to Montana's largest metropolitan area, Billings. About 75 percent of the region's 200,000 people live within Yellowstone County. This concentrated population also has concentrated economic activity, but there are opportunities for growth outside of the urban area. In addition to the state's largest city, this region is home to the Crow Reservation and the Northern Cheyenne Reservation. Over 100,000 people living in 10 counties make up the region's workforce.

No region added more jobs in 2012 than the South Central Region. Billings is a regional hub for health care, transportation, education and other services, leading the charge in job and wage growth. Emerging sectors of the economy like

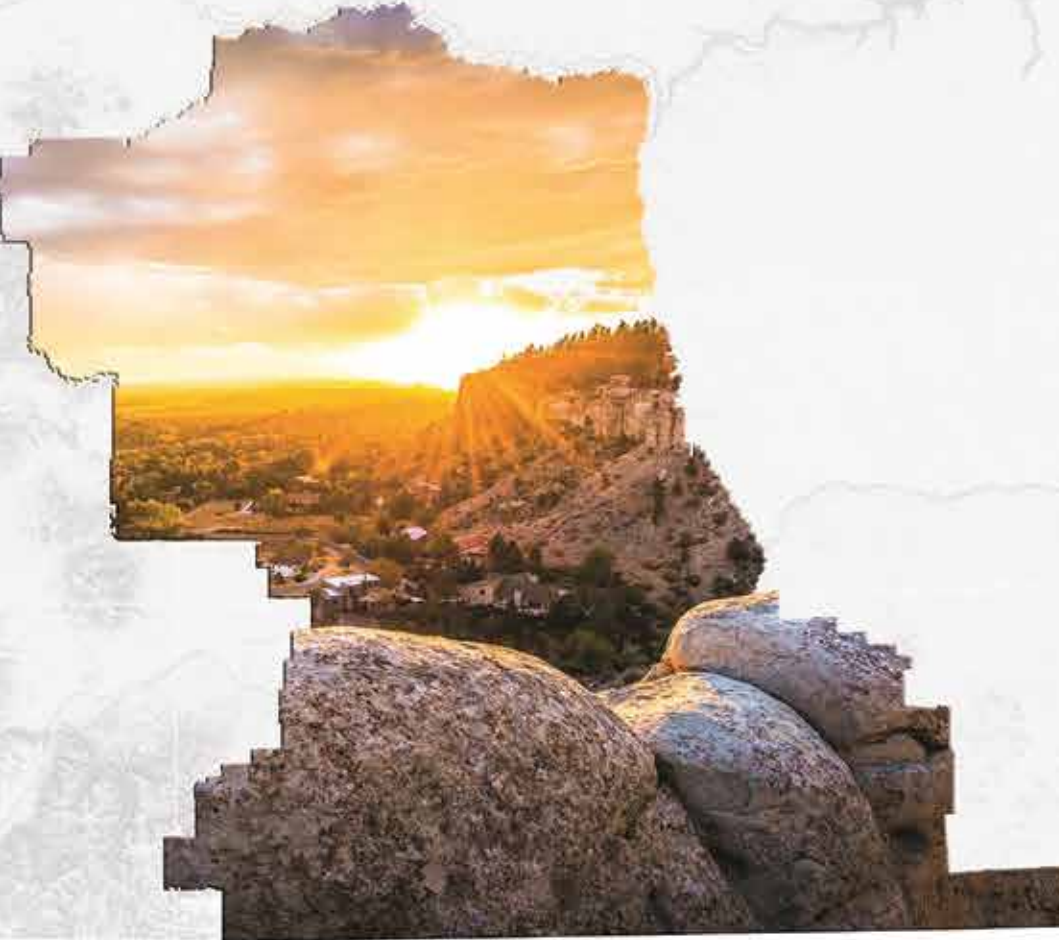
high-tech manufacturing and medical services are diversifying the economic base and providing high paying jobs. With rivers and mountains, plays and powwows, the quality of life offered here is attracting lifestyle immigrants who want to work and live in a bustling and growing community.

Like the distinction between the plains and the peaks, there are significant differences between the region's rural areas and urban center. In the small towns, survey respondents expressed their opinion that Main Street businesses are struggling, wages are low, and access to job training and education is limiting. Residents consider natural resource development as the greatest opportunity to bridge that gap.

In addition to having mines and wells nearby, strategies to vertically integrate natural resource-based industries into the economy will provide longer lasting stability.

Education and workforce development resources are critical components to the region's job growth. With MSU-Billings, City College at MSU-Billings and Rocky Mountain College in Billings, as well as Little Big Horn College in Crow Agency, access to resources for basic job skills, technical

training, apprenticeship programs and advanced degrees is turning jobs into careers. Distance to the programs is an issue in some communities, and improving accessibility will supply highly skilled workers throughout the region and help businesses grow.





## EASTERN REGION

**Counties:** *Carter, Custer, Daniels, Dawson, Fallon, Garfield, McCone, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Treasure, Valley, Wibaux*

The big sky doesn't get any bigger than in Montana's Eastern Region. This vast region, long supported by agriculture, has the most dispersed population in the state. From Miles City to Sidney, Bainville to Glasgow, the towns follow the river valleys of the Yellowstone and Missouri. Over the eons, these waters carved the Badlands, exposing hidden treasures such as dinosaur fossils and brilliant agates, their sediments covering rich deposits of oil, gas and coal. On the rolling hills above the river bottoms, in towns like Plentywood, there are seemingly endless fields of grain. In towns like Jordan and Ekalaka, the green grass of spring feeds thriving cattle herds. The banks and Badlands of the Missouri are home to the Assiniboiné & Sioux Tribes of the Fort Peck Indian Reservation, while the hills, meadows and pines of the south are home to the Northern Cheyenne Reservation. In total, 75,000 people live in this region; about 46,000 people are in the workforce.

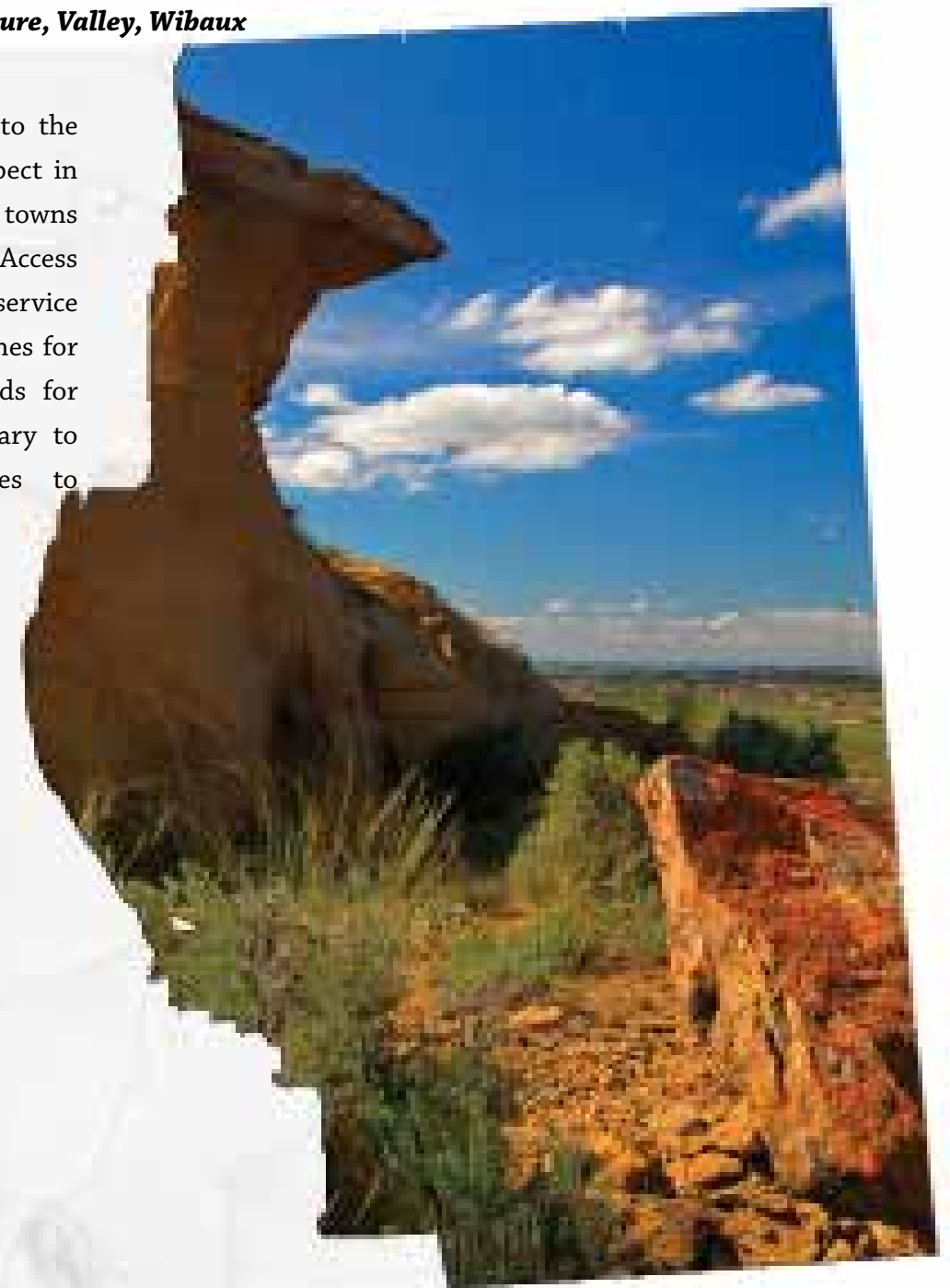
Beneath the farmlands and rolling plains lie vast natural resources, including natural gas, coal and the vast Bakken oil formation. Mining and energy production are widespread from Colstrip to Culbertson. It is no surprise this region identified natural resources as its greatest economic opportunity. Attracting businesses in towns that service the oil fields and coal mines

and manufacture supplies for these industries will help create stable jobs. Efforts to partner these industries with education and workforce development centers will provide the workforce that industries need to locate to or expand within our communities.

The Eastern Region has suddenly risen to a place of economic prominence within the State of Montana. Driven by strong commodity prices and oil and gas development in the Bakken, the story line is of strong job growth. In 2012, the region added over 1,800 jobs, a growth rate of 5.1 percent, the strongest in the state. In fact, the growth has been so vigorous that some areas are experiencing worker shortages. Dawson Community College in Glendive, Miles Community College in Miles City, Chief Dull Knife College in Lame Deer, and Fort Peck Community College in Poplar offer a wide range of degrees, certificates and training programs. Partnerships with educators, employers and agricultural producers will create a skilled workforce and help fuel the growth.

Infrastructure is essential to this region's growing economy. Long distances between towns necessitate travel for basic services, like shopping, banking and healthcare. Water and sewer systems, police and fire fighters, libraries and sidewalks, create the safe, healthy communities

that are paramount to the quality of life we expect in our friendly small towns and livable cities. Access to commercial air service for businesses, rail lines for goods, and safe roads for residents are necessary to connect communities to markets beyond.



IMPLEMENTATION PLAN

Each of the 11 Key Industry Networks (KINs) listed here will be engaged in a formal partnership directed by the Governor’s Office. When convened, the networks will focus on the specific objectives outlined in this plan. For instance, the Healthcare KIN will work to ensure that Montana’s workforce development system is producing trained workers who can meet the ever-increasing healthcare demands across the state. This KIN will also look at broadband infrastructure to ensure efficient delivery of healthcare services and use of electronic medical records in both rural and urban communities. The Tourism KIN will pay particular attention to tasks related to Montana’s quality of life and the Montana Brand. Diversity in membership will ensure the KINs’ success; we will actively recruit business leaders from every region who represent urban, rural and Native communities. KINs, in partnership with public agency leadership, will set achievable timelines and outcomes and will be intimately involved with the annual reporting schedule set to track the progress of this business plan.



Manufacturing



Transportation



Innovation & Technology



Construction & Housing



Healthcare



Natural Resources



Tourism



Energy & Infrastructure



Food & Agriculture



Financial Services



Small Business  
&  
Downtowns

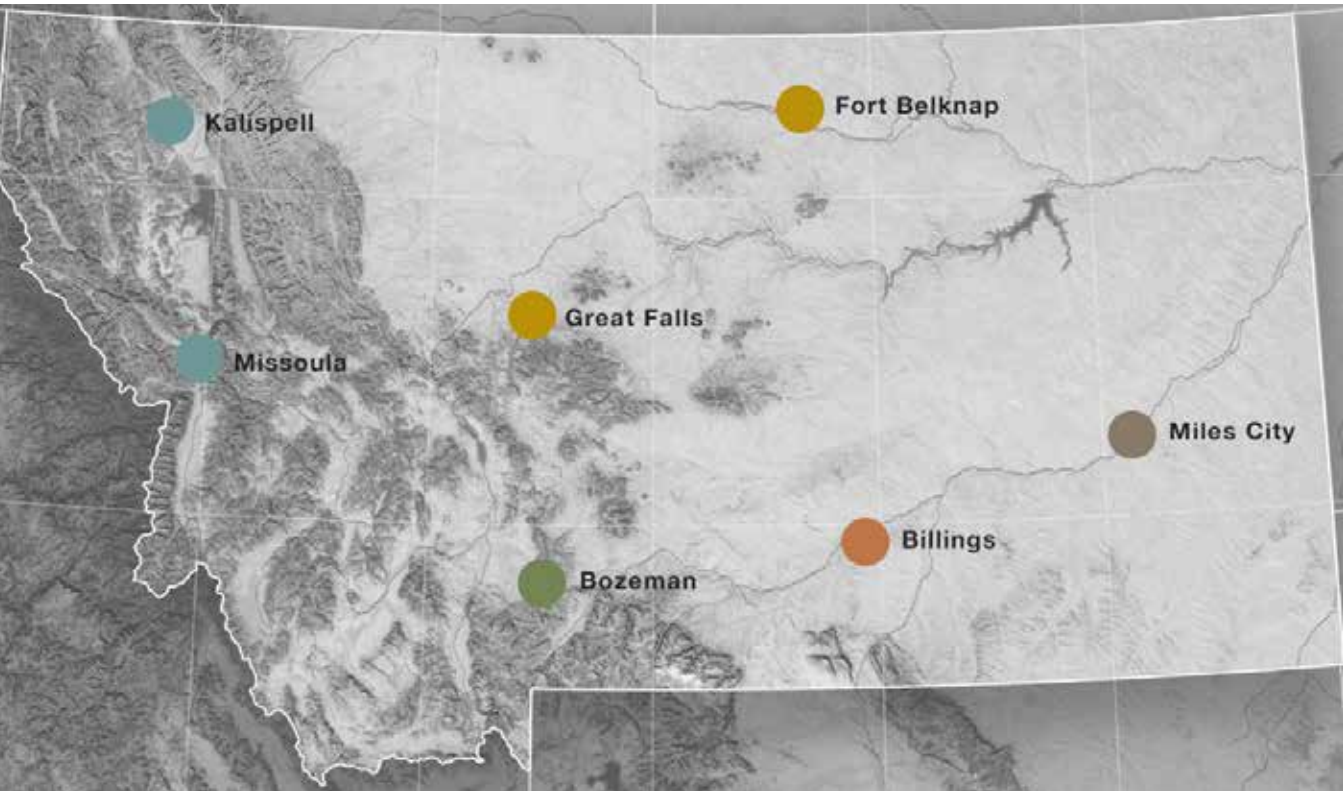
KEY INDUSTRY NETWORKS

PROJECT OUTREACH AND RESEARCH PROCESS

When Governor Steve Bullock announced the creation of the Main Street Montana Project, he charged project co-chairs Larry Simkins and Bill Johnstone with developing a bottom-up, grass roots process to create a business plan for Montana, written by Montanans. The project aims to tap into the work ethic and ingenuity of Montanans to ensure that Montana’s economy remains strong for years to come.

As described in more detail below, since the launch in May 2013, the Main Street Montana Project hosted seven roundtables around Montana. The team worked hard to invite leaders from both urban and rural communities surrounding the roundtable locations. The roundtables were held in:

- South Central Region – Billings – May 28, 2013
- Northwest Region – Missoula – June 4, 2013
- North Central Region – Great Falls – June 12, 2013
- Eastern Region – Miles City – June 19, 2013
- Southwest Region – Bozeman – June 25, 2013
- Northwest Region – Kalispell – July 8, 2013
- Indian Country – Ft. Belknap – July 25, 2013





PROJECT OUTREACH AND RESEARCH PROCESS

The roundtables received broad support and participation, with about 900 Montanans participating in these events from the business, workforce development, economic development, nonprofit, agriculture and local government sectors. Each of the roundtables featured an economic presentation by the Department of Labor and Industry, as well as a facilitated discussion about the region’s specific challenges and opportunities. Approximately 300 people completed follow-up surveys providing additional economic development data.

Using the responses from the roundtable discussions and the follow-up survey, the project team developed a County Survey and an Indian Country Survey to gather additional information from a broader Montana audience. These surveys followed a “SWOC” format, with participants providing the top strengths, weaknesses, opportunities and challenges for their region. The multiple choice answer options on the survey were drawn from the leading responses in each region’s roundtable discussion; respondents also had the option of open-ended responses.

From August to November 2013, the County Survey and Indian Country Survey compiled responses from every one of Montana’s 56 counties. In total, 1,855 Montanans completed the County Survey. Of these, business owners made up the largest plurality, at 35 percent. Private sector responses totaled 64 percent of the total. Response rates by county closely match the percentage of Montana’s total population residing in each county. In addition to the County Survey, 103 Montanans completed the Indian Country Survey.



ROUNDTABLE AND  
SURVEY DATA ANALYSIS

The development of the Main Street Montana Business Plan occurred during a period when the state was close to full recovery from the 2007 recession. Montana’s employment levels regained their pre-recession peak during 2013, with real wage gains and unemployment rates back to normal levels<sup>i</sup>. Montana’s strong economic recovery allowed the project to focus on the long-term health of the economy and how Montana can better situate itself to take advantage of economic growth opportunities.



The Main Street Montana Project also conducted outreach to neighboring states and Montana business and community interest groups. A sample of this outreach includes:

- Native American Development Corporation
- Montana University System
- Colorado Office of Economic Development and International Trade
- Tourism Advisory Council
- National Parks Conservation Association
- Billings Chamber of Commerce
- Missoula Chamber of Commerce
- Economic Development Advisory Council
- National Federation of Independent Business
- Montana Bankers Association
- League of Cities and Towns
- Montana AFL-CIO and MEA-MFT

Project co-chairs Larry Simkins and Bill Johnstone also conducted meetings with individual business leaders from around Montana to gain additional information used in this report.

Quantitative data from both the multiple choice and open-ended questions collected from the County Survey and Indian Country Survey has been coded, compiled and summarized in the appendix. Qualitative data has been incorporated into the report recommendations. Information gleaned from trade association meetings will be used in the implementation of the Main Street Montana Project.



## REGIONAL ROUNDTABLES

The Main Street Montana Project hosted seven regional roundtable events where business and community leaders were asked to come and discuss ideas on improving Montana's economy. Roughly 900 Montanans participated in these events. Comments and ideas were gathered using iClicker instant polling and through facilitated small-group conversations where individuals discussed Montana's strengths and weaknesses with others at their table, then reported their conclusions to the full group. According to



## Billings Roundtable-Challenges

the instant polling data gathered, roundtable attendees were 54 percent male and were most likely to be business owners (of the categories suggested), as shown in Figure A1. Roughly 20 percent of attendees said they represented healthcare or some other type of nonprofit organization, while 13 percent were educators or students.

Each roundtable event included an economic presentation that examined how Montana's industrial makeup has changed over time (see Figure A2)<sup>ii</sup>. Like the U.S. as a whole, Montana's economy has morphed from an agricultural-based economy into a service-based economy, with the service sector (shown in red on Figure A2) making up the majority of economic production. Although many tend to think of service jobs as low-paying jobs, the service sector also includes high-paying industries like healthcare, business services and finance. The service sector also provides exports to bring new funds into Montana through tourism, environmental consulting and computer services. Roughly 24 percent of Montana's personal income comes from the goods-producing industries of manufacturing, construction, mining and agriculture. The remainder of the economy falls within the service-providing industries, as illustrated in Figure A3<sup>iii</sup>. Montana's economy is slightly more focused on goods-production than the U.S. economy, with 22 percent of the U.S. economy in goods-producing industries, but the share within goods production varies significantly across Montana's regions.

Montana also has less manufacturing than the U.S. as a whole, largely because our remote geography results in high shipping costs to get our goods to distant ports

and consumer cities. Montana's manufacturing base is concentrated in the value-added processing of our natural materials, such as food, wood products or petroleum manufacturing, which minimizes transportation costs by locating the manufacturing close to the input source. Roundtable participants recognized the need to reduce transportation costs for Montana's goods by regularly recommending infrastructure improvements as a top priority in our economic development efforts.

Montana's comparative industry mix raised significant discussion throughout the state, with the general consensus being that we should capitalize on our natural resources by strengthening supply chains and adding value, but also look forward to create more opportunities in the growing service industries. In particular, many business and community leaders encouraged the growth of tourism to bring in new money from out-of-state visitors. Roundtable participants encouraged more focus on innovation to advance our high-paying Business Services and Financial Activities industries, which would increase wages for workers while increasing business productivity. Roundtable participants provided a

variety of suggestions on how to support business growth in both the goods-producing and service-providing sectors, including encouraging entrepreneurialism, supporting the growth of existing businesses, and streamlining regulatory structures to allow businesses to focus on their business instead of on navigating governmental jurisdictions.

Another focus of the roundtable presentation was Montana's aging workforce and the need to increase productivity to maintain economic growth. Most discussions of the aging population focused on the growth of the 65 and older age group, but for Montana's labor markets, the population of greatest interest is the population of workers aged 15 to 65. While the working population has always expanded in the past, providing an ample supply of workers for Montana businesses, growth in the working population is expected to flatten out over the next decade. The flat growth in the working age population will result in tight labor markets. Tight labor markets can provide economic benefits for workers because jobs are easy to find and wages increase rapidly. However, economic growth can be constrained if businesses cannot find the right workers, or enough workers, to produce their goods.



## Missoula Roundtable - Opportunities



The prediction of tight labor markets led to a conversation on the need to improve productivity in Montana, allowing us to produce more output with the same number of workers. Roundtable participants learned that worker productivity in Montana is lower than in other states because of lower use of technology, smaller businesses, and greater distances to travel between businesses and clients. The large distances between businesses have prevented the spread of best practices within industries, and limited the development of in-state supply chains across industries. Many business and community leaders who attended the roundtable events asked for more networking opportunities across the state and across different sectors of the economy. For example, participants suggested that university researchers and innovators need to understand production processes so that new commercial technologies to improve efficiency can be developed. In turn, these innovators need start-up capital and customers so that productivity-enhancing technologies can rapidly spread throughout Montana's economy. These will require more communication between industry and the education sector.



Billings Roundtable - Opportunities

Montana's tight labor markets will also present greater challenges to our education and training systems to ensure Montana workers have the right skills to compete in an ever-changing economy. With workers in short-supply, our economy cannot afford to have workers stuck in long-term unemployment, taking long periods to update their skills, or trained for the wrong jobs. Workforce development was included in the discussions at every roundtable event, and was ranked as one of the highest priorities for attendees according to the instant polling data (shown in Figure 4). Attendees were asked about challenges for their community's economic development. Overall, most provided the following responses: infrastructure (about 27 percent of respondents), with workforce development (24 percent) and capital access (22 percent) in a close second and third. However, different cities had much different responses to this question, highlighting the need for different economic development strategies for different regions of Montana.

At each roundtable, participants were given an hour to discuss the Montana economy with other attendees and provide their thoughts on the challenges and opportunities we face. Attendees submitted their thoughts both individually on worksheets collected after the event and as a group by reporting the ideas from their table at the end of the roundtable discussion. The Main Street Montana Project collected all of the comments from the roundtable discussions and compiled them by region.

# THE COUNTY SURVEY

## Survey Methodology

The comments from the roundtables were used to develop the Main Street Montana Project survey, which was distributed statewide to gather even more ideas and feedback. The responses compiled from each roundtable event became the multiple choice responses in the survey. The survey asked about opportunities, challenges, strengths, weaknesses and goals related to Montana's economy, listing the top comments from each roundtable event as possible responses, along with an open-ended question for respondents to add any other comments. At the end of the survey, participants were asked two additional open-ended questions about their top priorities for economic development. Respondents also provided their county of residence and their industry and role in the economy to ensure that the entire state was well-represented in the report.





SURVEY RESULTS

In total, 1,855 Montanans completed the County Survey, with an additional 103 responses to the Indian Country survey that asked about economic development concerns specific to Native Americans. All 56 counties and seven reservations were represented in the survey. Most survey respondents (51 percent) represented the private-for-profit sector, with business owners representing 35 percent and private-for-profit employees representing 16 percent of responses (see Figure 6). Ten percent of survey respondents represented private non-profits, while at least 21 percent represented the public sector. By industry, government made up roughly 20 percent of responses while other industries made up the rest. Business Services was the top private industry in terms of number of responses, followed by Leisure Activities. Natural Resources, Financial Services, and Business Services were over-represented in the survey response compared to their employment shares in the Montana economy, while Trade, Leisure Activities, and Government were under-represented. While roundtable participants tended to be male, 56 percent of survey respondents were women, including 295 women business owners. Participants tended to be more educated than the population as a whole, with over 65 percent having a college degree or higher and nearly 25 percent having a graduate or professional degree. Survey respondents were generally from 35 to 64 years old. Every county was represented in the survey, with the Eastern and Southwest portions of the state having higher survey participation than expected given their populations.

In general, Montanans recognized the importance of their quality of life, but wanted our economy to become more diversified, with stronger wages and more jobs. The top strengths listed by survey respondents were: 1) quality of life—outdoor recreation/environment, 2) no sales tax, and 3) quality of life—safety and infrastructure. Business owners and respondents across all regions were fairly similar in their pick of the top strengths, although those in North Central Montana also selected proximity to Canada, while those in the East added work ethic. The top weaknesses selected in the survey include: 1) low wages, 2) lack of growth/economic development strategy, and 3) cost of living. Other concerns mentioned included the cost of Montana real estate, resistance to change, and distance to major ports.



Montanans also universally recognized that struggling downtown businesses challenged our quality of life and economic well-being, mentioning downtowns as both a top challenge and a top opportunity. Other challenges selected were the uncertainty of healthcare reform and political or interest group opposition to development. Business owners also had business equipment taxes in their top three challenges, while Eastern Montana respondents reported challenges with the boom/bust cycle of natural resource extraction and difficulty finding workers during the current boom period. The top three opportunities mentioned were 1) expanding tourism, 2) new business start-up programs and mentoring, and 3) downtown revitalization. Renewable energy, value-added agriculture, pipeline development, and natural resource development were also included in the top opportunities for some regions.

In general, Montanans ranked our strengths, weaknesses, challenges and opportunities similarly, but with some differences related to each regional economy. Responses from the Eastern Montana region reflected the challenges they are facing with the Bakken oil boom, noting difficulties in housing and recruiting workers. North Central Montana's



focus on the agricultural economy was reflected in their top opportunity, value-added agriculture. North Central Montana also sees the proximity of Canadian consumers as an economic strength. While Montana already does a great deal of agricultural trade with our northern neighbors, expanding that trade and diversifying into other manufactured or service goods present interesting opportunities for the region.

While the strengths and weaknesses identified were similar across regions, regions differed on their economic development priorities. Montanans were also asked what the top goals and priorities for economic development in their area should be. The top three economic development goals identified were 1) encourage growth of existing businesses and industries; 2) create new jobs; and 3) diversify the economic base. The priorities varied among the various regions, as shown in Figure B6. These regional differences in priorities and viewpoints will be considered as the Main Street Montana Project is implemented.



OPEN-ENDED QUESTIONS

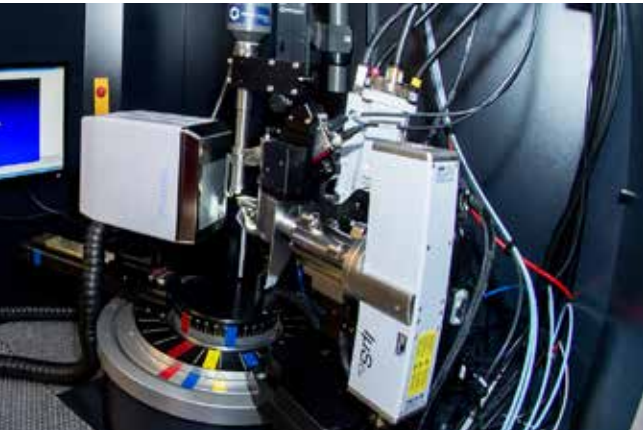
Survey respondents were asked open-ended questions to solicit economic development ideas for their counties and industries. Responses were then sorted into categories by topic. The first question was “If there was ONE action that the State of Montana could undertake to help advance local economic development in your county, what would it be?” The top category across the state was workforce training and education. This fell into the top answers for all regions except the Eastern region. Examples of comments in the workforce training and education category include a comment from Lewis and Clark County to “improve the over-crowded school system,” “create a quick response plan/team to train/fill new workforce needs in new and expanding businesses” from a respondent in Yellowstone County, and “educate employers on how to hire the right fit for openings and how to create quality work environment” from Yellowstone County. In general, comments reflected a desire for greater coordination between businesses and education professionals to ensure workers are job-ready and training is of short duration, which is reflected in the recommendations in the Main Street Montana Project report. Others called for greater education funding at all levels, more internships or vocational training in high schools, and improved affordability of the higher education system.



The second most common category for this question was: streamline regulations and government operations. This response was included in the top categories for all regions except the Southwest and Eastern. Comments representative of this category include “reduce the number of agencies that a business has to deal with to pay taxes and have employees” from Chouteau County, “get county government to reduce extreme environmental regulations—set them at state level” from Lewis and Clark County, and “streamline the environmental permitting system” from



Hill County. Although many comments in this category were non-specific, the comments generally reflected confusion and frustration when dealing with multiple layers of government. The Main Street Montana Project report addresses these concerns with efforts to create a one-stop portal for businesses to interact with the state employment and tax agencies, improve communications between city, county, state and tribal governments, and improve customer service in state agencies so questions are answered promptly and correctly.



The third most common category for this question was natural resource development. However, this response was only in the top three for the Northwestern region and fell fairly far behind the first two suggestions in terms of the number of comments (86, 73 and 45 for the vote counts of top three categories, respectively). The Northwest was primarily concerned about the logging and wood products manufacturing industry, which has yet to recover the jobs lost during the recession. Other areas of the state focused on oil and coal development. Examples of this category include “promote and enforce responsible use of natural resources” from Jefferson County, “support resource development” from Flathead County, and “drill oil in our state” from Lewis and Clark County.



Other categories that were at the top of the recommendations list from different regions included:

- Support for marketing Montana to promote more tourism, such as “promote Park County as a year-round tourist destination”
- Capital access, with comments like “provide low cost business loans” from Madison County or “use budget surplus to create an angel fund for Montana startups” from Park County
- Lower taxes, with some specific to a particular type of tax (property tax cut advocates were placed in a separate category for lower property taxes)
- Real estate and housing costs, with comments such as “provide affordable workforce housing” from Yellowstone County and “senior/low income housing” from Blaine County



- In Eastern Montana, concerns about infrastructure and oil and gas tax funding to pay for the infrastructure, such as “keep the oilfield money in Eastern Montana and not send any of it to Western Montana” from Dawson County and “send back oil money to improve infrastructure” from Sheridan County.



The second open-ended question on the survey was “As a leader in your profession, what do you think needs to be done to encourage growth in your specific industry/sector?” Although this question was specific to industries instead of geographies, the responses to this question were similar to those provided in the first open-ended question. In fact, many individuals wrote “same as previous question.” However, the “other” category was one of the top three categories for the industrial question. This category included a wide variety of suggestions, including ethics, nonprofits, bed taxes, news agencies, and more. A sample of some responses included in the “other” category follows:

- From Cascade County – “turn the tide of negativity” and “promote community pride”
- From Flathead County – “increase the length of summer” and “reduce competition for Montana’s captive insurance industry”
- From Gallatin County – “information and action” and “allow more local control over bed taxes”
- From Hill County – “become more optimistic” and “I think we are doing just fine”
- From Lewis and Clark County – “recognition that legal businesses provide thousands of dollars to the economy”
- From Richland County – “fight to keep post offices open in every town”
- From Yellowstone County – “get the futures market out of agriculture” and “nothing, our real estate sector is self-sustaining”



## INDIAN COUNTRY SURVEY

At the Indian Country Roundtable in Fort Belknap, attendees engaged in an in-depth conversation about the unique opportunities and challenges for Montana’s Tribal Nations. While some issues, such as access to capital, were also voiced at the regional roundtables, other issues raised apply only in Indian Country. To ensure that this project included the best information available from local community leaders, the Main Street Montana team developed an Indian Country Survey that ran parallel to the County Survey. The Indian Country Survey collected data from residents of each of Montana’s seven reservations and Native Americans living off the reservation in 16 Montana counties. The survey also included enrolled members of each Montana Tribal Nation.

As discussed in the Indian Country section of this plan, the top opportunities for economic growth fall under the major categories of education and business growth. Participants at the Indian Country Roundtable and respondents to the survey agreed that tribal colleges are current strengths and provide new opportunities for workforce development for this growing segment of Montana’s population. Access to capital and improved coordination between Native-owned and non-Native-owned businesses and economic development organizations will also open economic opportunities in Indian Country.





## FACTS ABOUT MONTANA’S BUSINESS CLIMATE

A common theme that arose throughout the Montana Main Street Montana Project roundtables and survey process is that many participants believe that there are some barriers, such as tax environment, political divisiveness, or workforce issues that prevent some businesses from wanting to do business here and discourage in-migration of workers. These perceived barriers are generally based on inaccurate or outdated information. At 92.8 percent of adults 25 years and older, Montana boasts the highest percentage of adults in the nation with a high school diploma or higher<sup>iv</sup>. Legislative divisiveness in Montana is near the average among states, according to a recent report published by researchers at the University of Chicago and Princeton University<sup>v</sup>. And while our economic well-being is tied to the natural resource economy, Montana’s economy is well-diversified and includes high-tech manufacturing, service-based exports and knowledge-based jobs.

More serious misperceptions arise from economic and tax rankings published by various organizations, many of them pushing political agendas more than presenting accurate economic analysis. These rankings frequently contradict one another, even when they purport to measure the same economic attribute. Unfortunately, despite these drawbacks, these rankings significantly shape the public’s perception of Montana’s business climate.

For example, the Tax Foundation ranks Montana as the 7th most friendly business tax climate out of 50 states in 2014<sup>vi</sup>, yet the Anderson Economic Group ranks Montana in the bottom half on business taxes at 38th<sup>vii</sup>. Each of these studies uses different types of business taxes to determine their rankings, and each measures the tax differently. Montana ranks near the top according to the Tax Foundation because we don’t have a general sales tax and property taxes levied at the state level are low. Most of Montana’s property taxes are levied at the local level by counties, cities, school districts and other municipalities. Montana ranks lower in the Anderson Economic Group study because of its greater emphasis on local property taxes. Rankings that include Montana’s workers’ compensation rates generally rank the state poorly because our high occupational and injury rates result in high insurance premiums, although recent legislation has improved Montana’s ranking for workers’ compensation rates. Various other popular studies rank Montana as having the 8th, 19th or 26th best business climate<sup>viii</sup>.



A brief summary of other business-related rankings shows that Montana scores well across a number of areas:

- 13th in labor supply (Best states for Business; Forbes Magazine, 2013)
- 9th in economic performance rank (Rich states, Poor states; ALEC-Laffer state Economic Competitiveness Index, 2012)
- 12th in Infrastructure and Transportation (America’s Top states for Business; CNBC, 2013)
- 3rd in lowest cost of electricity (Business Facilities Rankings Report; Business Facilities Magazine, 2013)
- 7th in taxes weighted by capital investment (Competitiveness of State and Local Business Taxes on New Investment; Council on State Taxation, 2011)
- 5th in cost of doing business (America’s Top States for Business; CNBC, 2013)
- 1st in growth in startups per capita (United States of Innovation; Fast Company Magazine, 2013)



Every year, the Montana Department of Revenue produces a biennial report on Montana’s tax system. This biennial report to the Montana Legislature includes comparison information on all the different tax types<sup>ix</sup>. In Fiscal Year 2010, Montanans paid:

- \$1,291 per person for property taxes at the state and local level, ranking Montana 26th among 50 states (with #1 having the highest taxes)
- \$545 per person in sales and gross receipt taxes (primarily through the accommodations and use tax), ranking Montana as 49th (with #1 having the highest taxes)
- \$815 per person in individual and corporate income taxes, ranking Montana 30th (#1 being the highest taxes)





# Main Street MONTANA Project

*For Montana by Montanans*

Overall, Montanans paid \$3,248 per person in taxes, ranking us among the 15 states with the lowest tax burdens (38th out of 50 states with the first having the highest taxes). The taxes per person are higher in our neighboring states of North Dakota and Wyoming, but lower in South Dakota and Idaho. Montana's tax burden per person is lower than some other states because our state benefits from oil and gas tax revenues, which allow government services to be financed using oil and gas taxes instead of other tax types that are more directly levied on Montana residents and businesses.

Although the combination of taxes (and the multiple methods of ranking tax burdens) can create confusion, Main Street Montana Project leaders and survey respondents alike understand that a competitive tax structure is an important component in having a healthy business climate in our state. Further, businesses and individuals must feel as though they are getting good value for their tax dollar with competent customer service from government officials. That being said, taxes are not the only component to a healthy business environment—a fact recognized by survey and roundtable respondents who asked for better infrastructure, stronger education systems, and additional technical and financial support for both new and existing businesses.

The positive facts will be addressed with better marketing of Montana to tourists, businesses, and potential workers. This marketing represents a major pillar in the Montana Main Street Montana Project efforts. In addition, we must work to address misconceptions within Montana about our state and government structure, which could be achieved by improving communication between governments and taxpayers, and improving customer service in government. Information about our state, its tax structure, permitting processes, and economy should be easily accessible to Montanans and non-Montanans alike.



## CONCLUSION

Known worldwide for majestic mountain ranges, blue-ribbon fly-fishing, and rolling fields of grain, Montana's beautiful and diverse landscapes have long captured the imagination of visitors and residents alike.

Rich in natural resources, Montana has truly earned its signature title "Treasure State." But Montana's greatest resource—its secret ingredient—is and always will be its people.

Montanans are some of the hardest working people in the world. When we set out to write an economic blueprint for the State of Montana, we knew that a visit to Montana's Main Streets would yield the best results.

The Main Street Montana Project has been an historic collaboration of Montanans from every walk of life. Business owners and workers, manufacturers and educators, city-dwellers and farmers—residents of every one of our 56 counties have answered Governor Bullock's call for the best ideas about how to move Montana's economy forward.

This plan was written by Montanans for the benefit of Montanans, and we are moving forward knowing that these policy recommendations have been vetted by the people who matter most—the citizens of Montana.

From the get-go, the Main Street Montana Project team has been determined to produce a dynamic plan—a blueprint that will shape the economic growth and vitality of our state.

This plan is a living document. It will grow, mature and respond to the changing and expanding needs of our dynamic economy. It will not be left on the shelf.

We also know that Montana is a diverse state. The solutions that work in Kalispell may not be the best options for Ft. Belknap. The Main Street Montana Project embraces that diversity and champions the exceptional traits that make each region unique.

In every community, businesses, workers, educators, local elected officials and economic development organizations work hard every day to improve their hometowns and open the doors of opportunity for their families, friends and neighbors. The Main Street Montana Project recognizes and has great respect for this local and regional economic development work. We look forward to building upon existing partnerships and developing new relationships. We know that, together, we are greater than the sum of our parts.

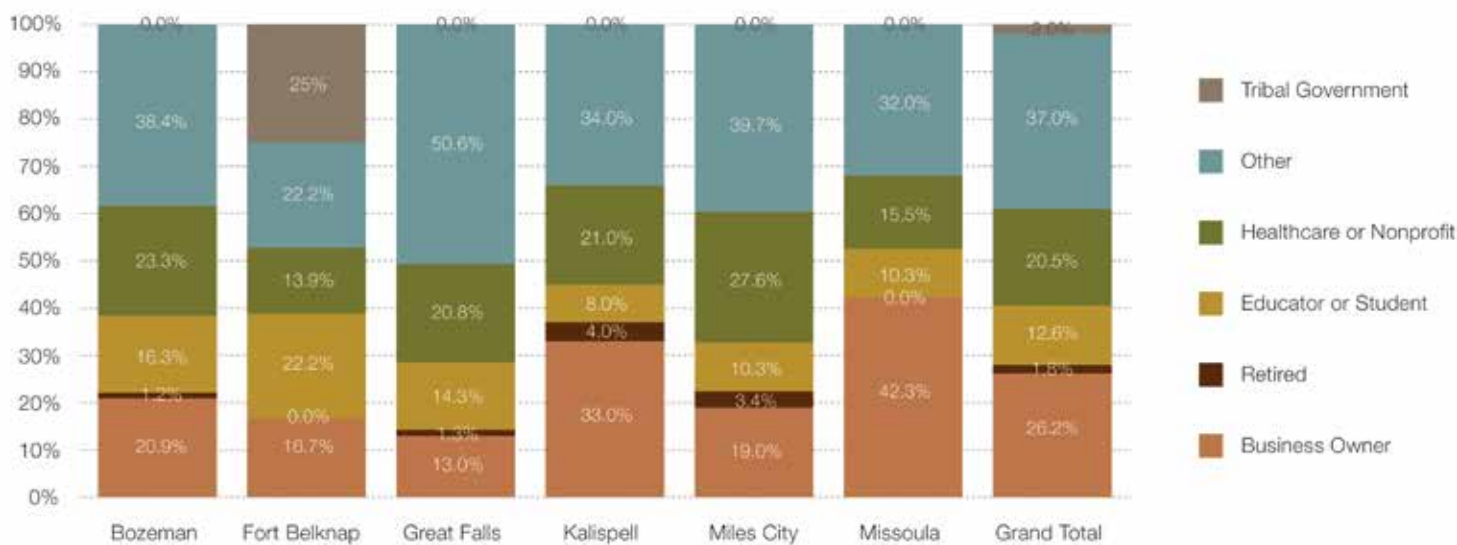
Thank you, Montana, for answering the call to help move Montana's economy forward. We look forward to fostering this collaboration as we work together to achieve the goals of the Main Street Montana Project.





APPENDIX A: ROUNDTABLE PRESENTATION DATA

FIGURE A1 WHAT BEST DESCRIBES YOUR ROLE IN THE ECONOMY?



\*This data was not collected in Billings.

FIGURE A2 SHARE OF MONTANA PERSONAL INCOME BY INDUSTRY

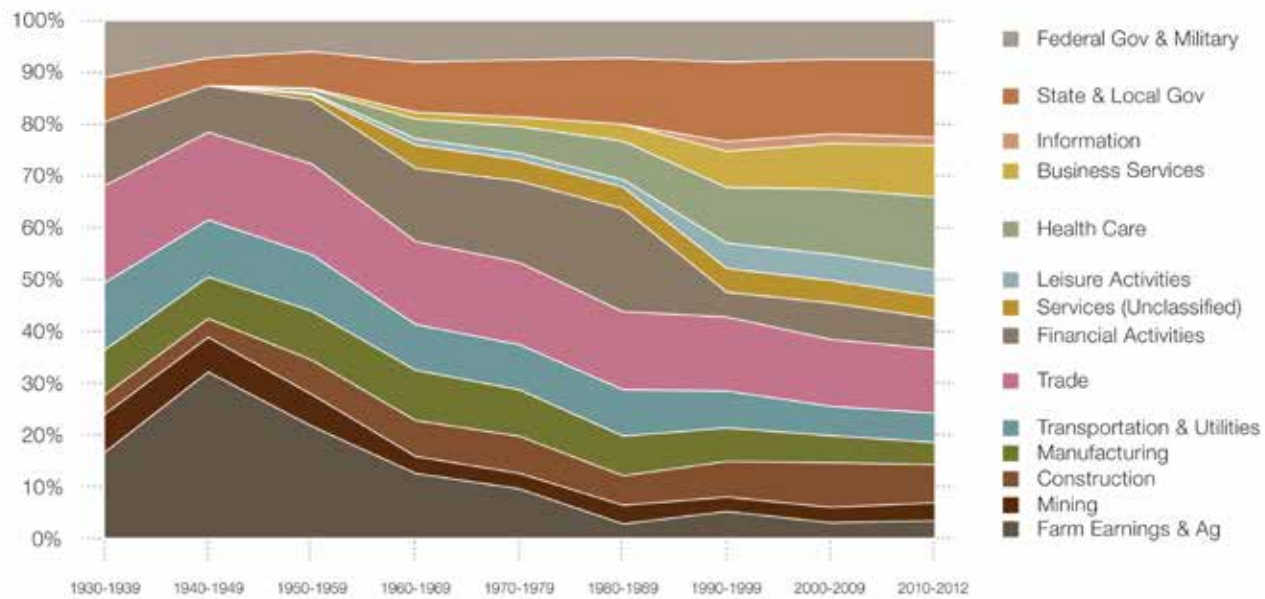


FIGURE A3 EARNINGS BY INDUSTRY AND REGION

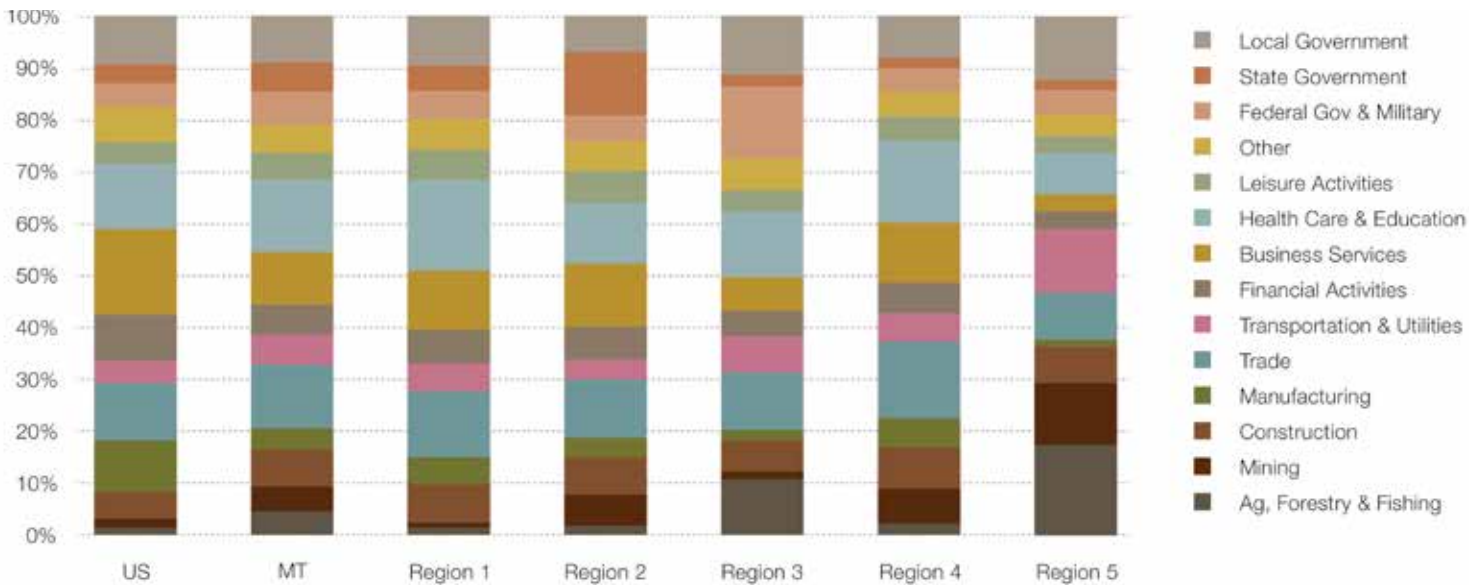


FIGURE A4 WHAT PRESENTS THE LARGEST CHALLENGE FOR YOUR COMMUNITY'S ECONOMIC DEVELOPMENT?



APPENDIX B: COUNTY SURVEY DATA

FIGURE B1 OPPORTUNITIES FOR ECONOMIC GROWTH - COUNTY SURVEY

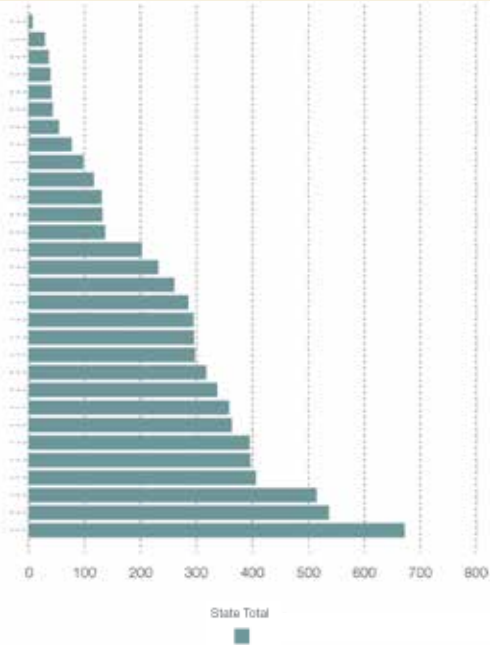
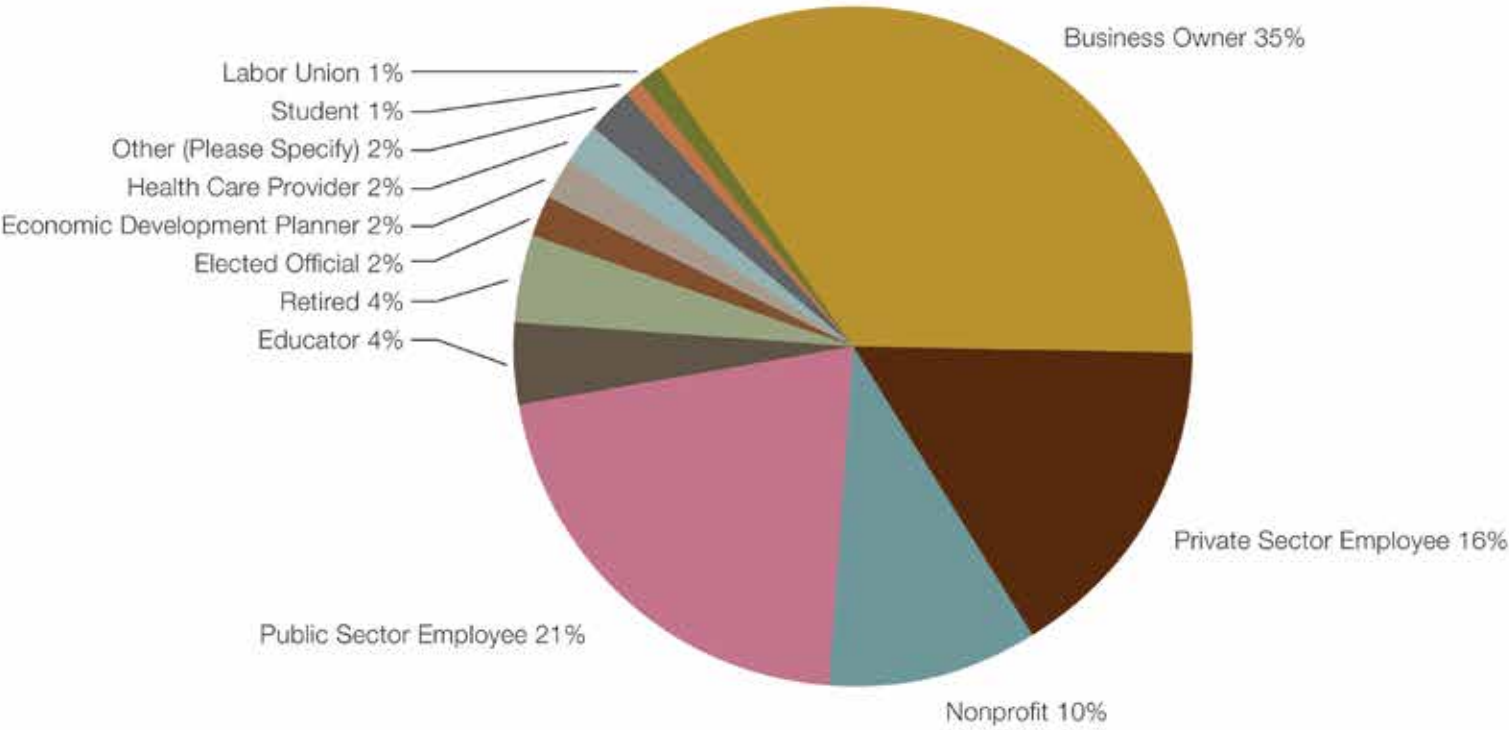
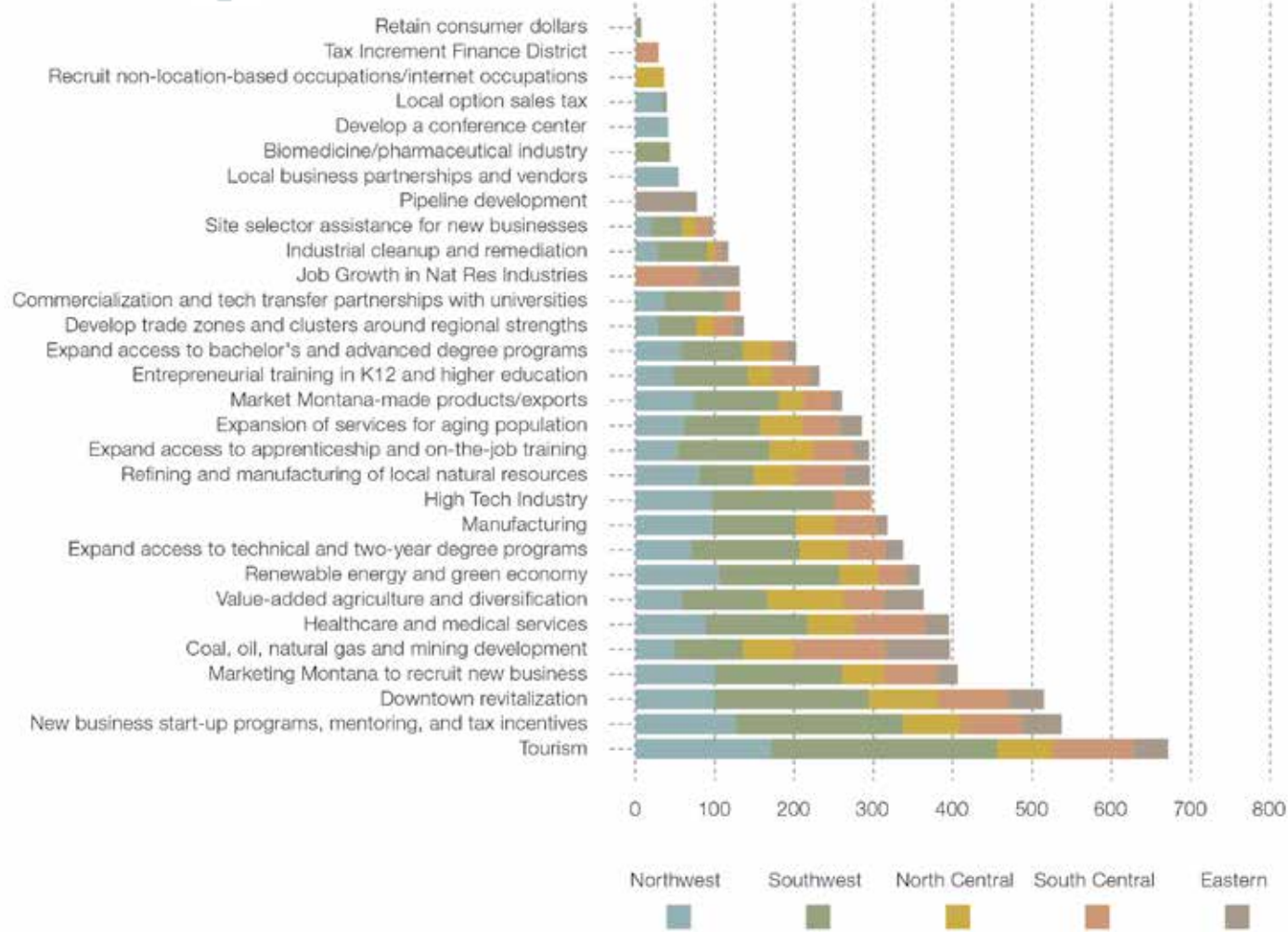


FIGURE B2 OPPORTUNITIES FOR ECONOMIC GROWTH - COUNTY SURVEY





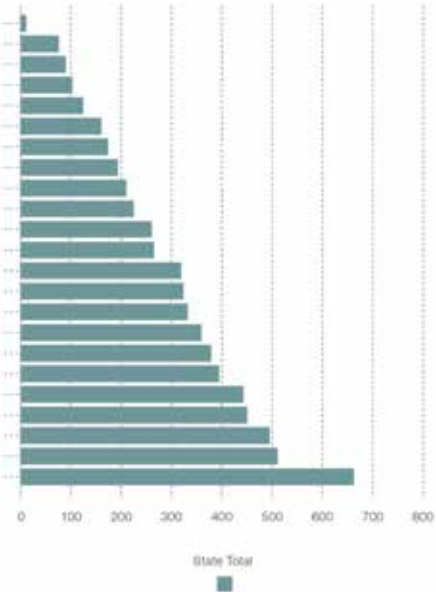


FIGURE B3 WEAKNESSES FOR ECONOMIC GROWTH - COUNTY SURVEY

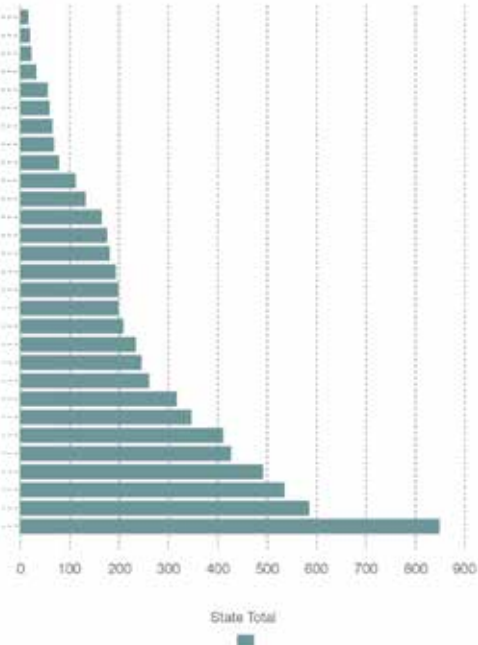
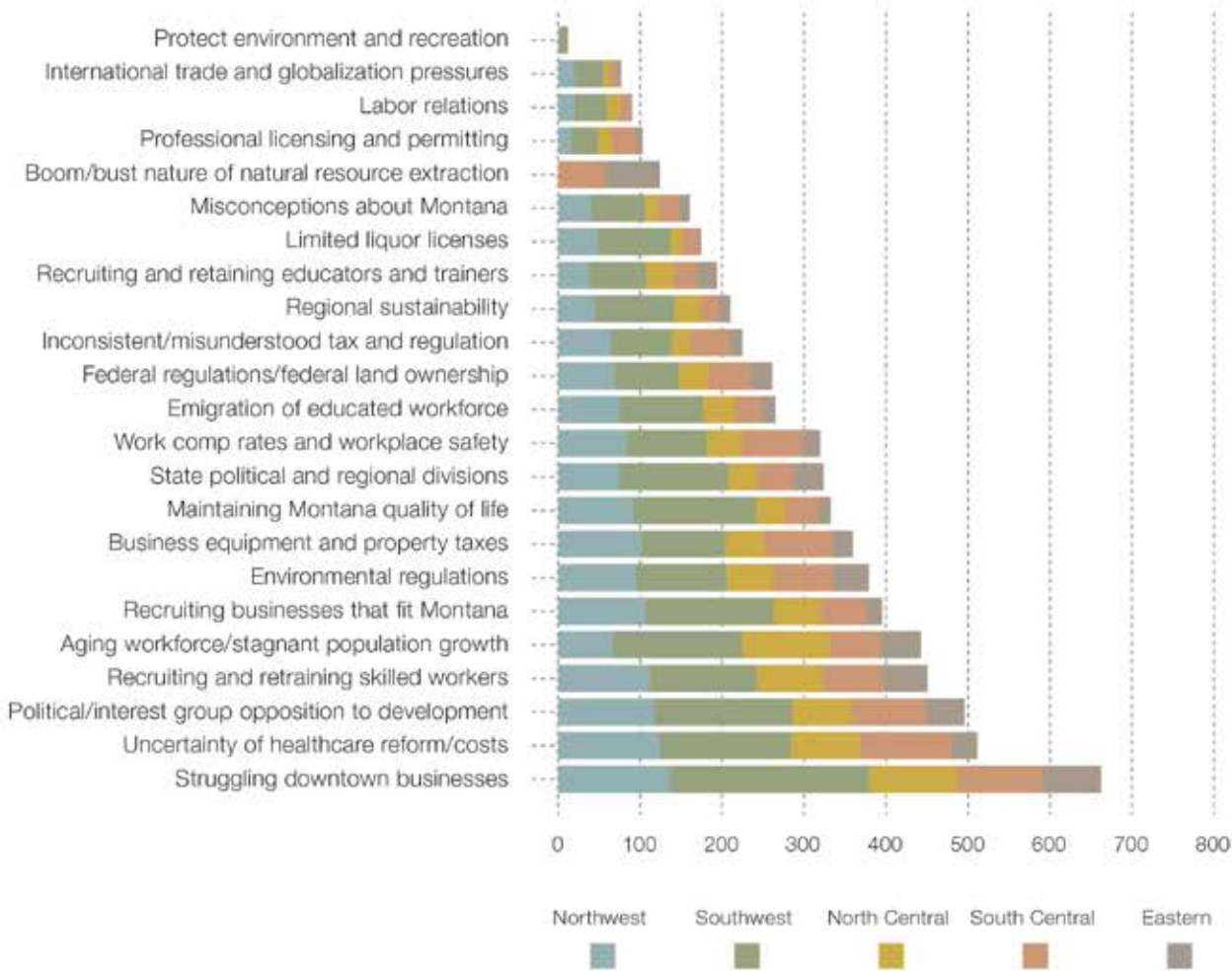
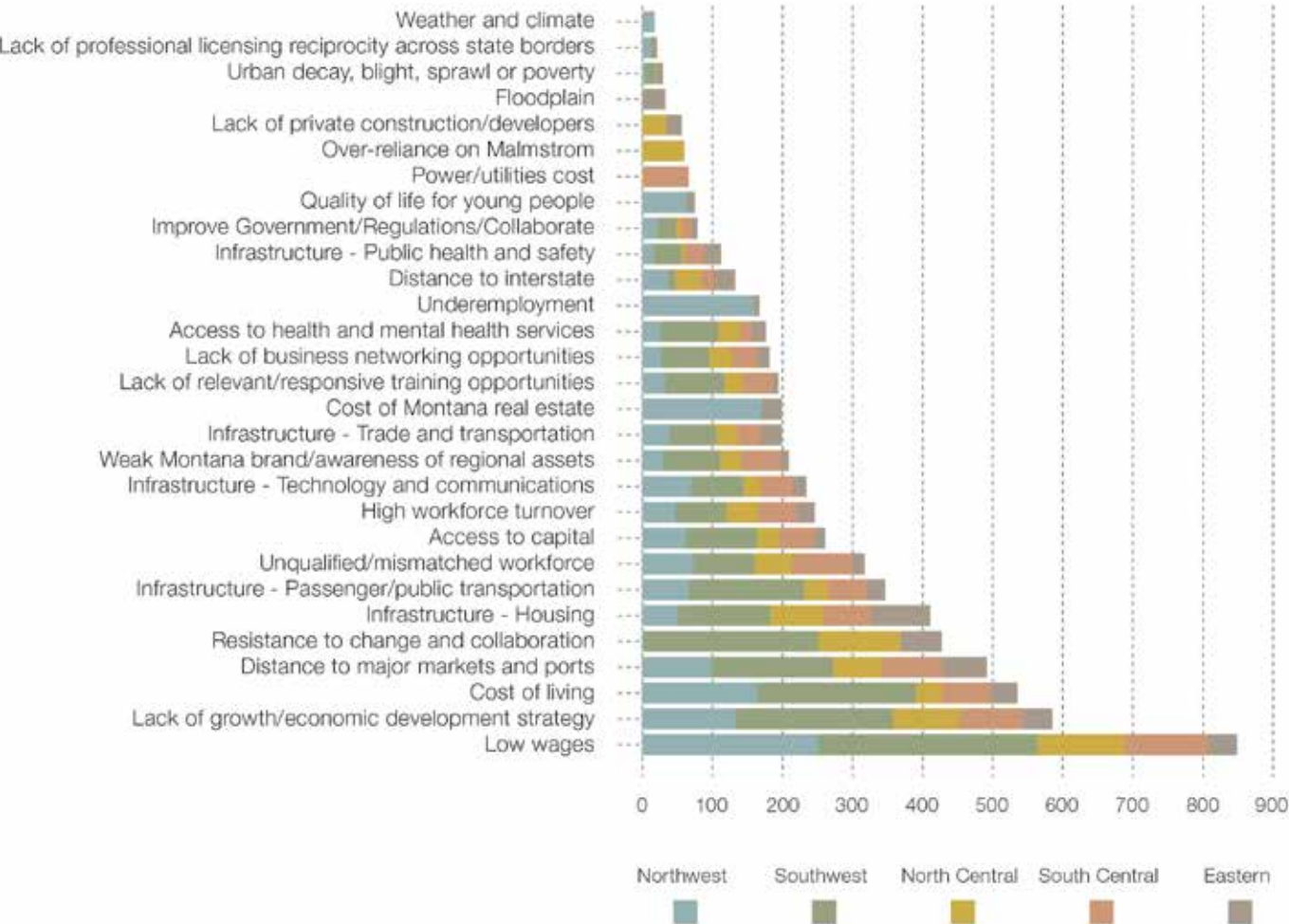


FIGURE B4 ECONOMIC DEVELOPMENT WEAKNESSES - COUNTY SURVEY



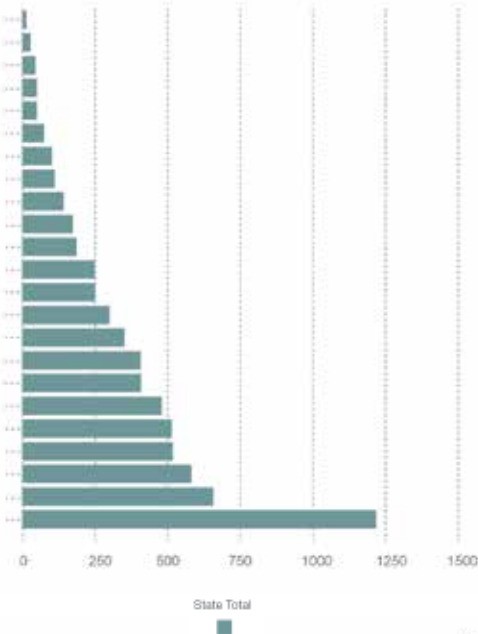


FIGURE B5 ECONOMIC DEVELOPMENT STRENGTHS  
- COUNTY SURVEY

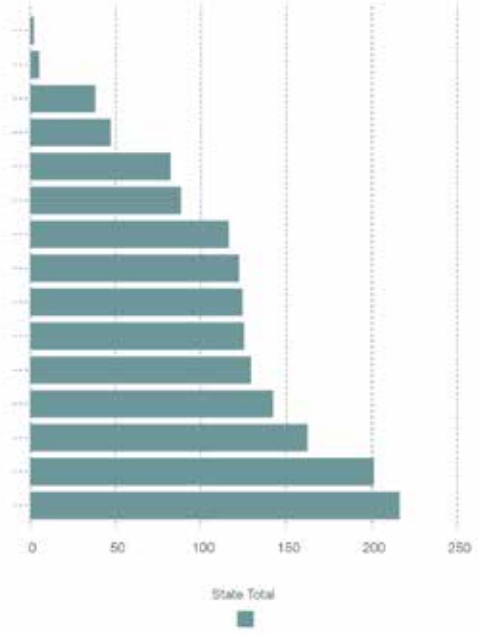
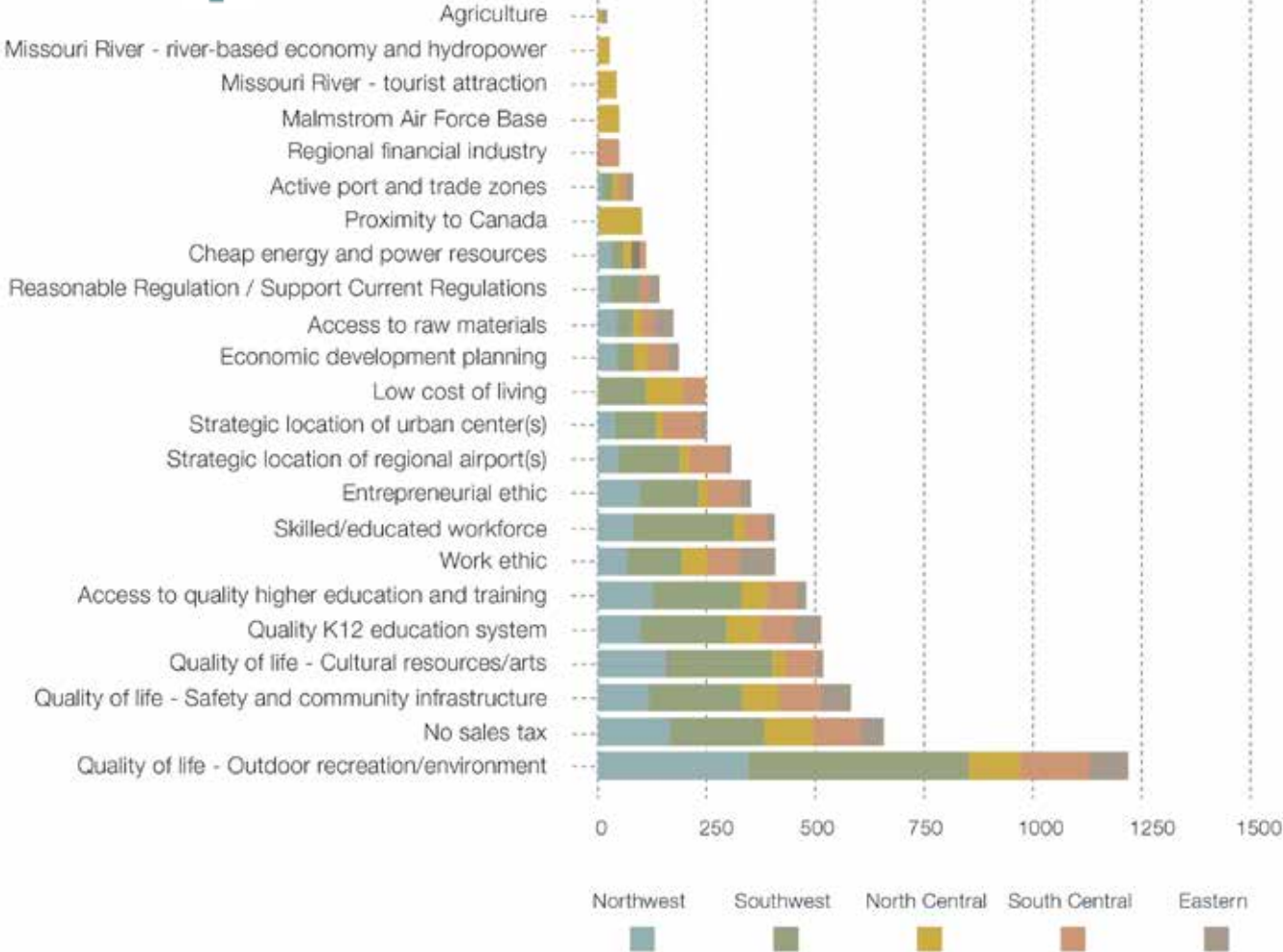
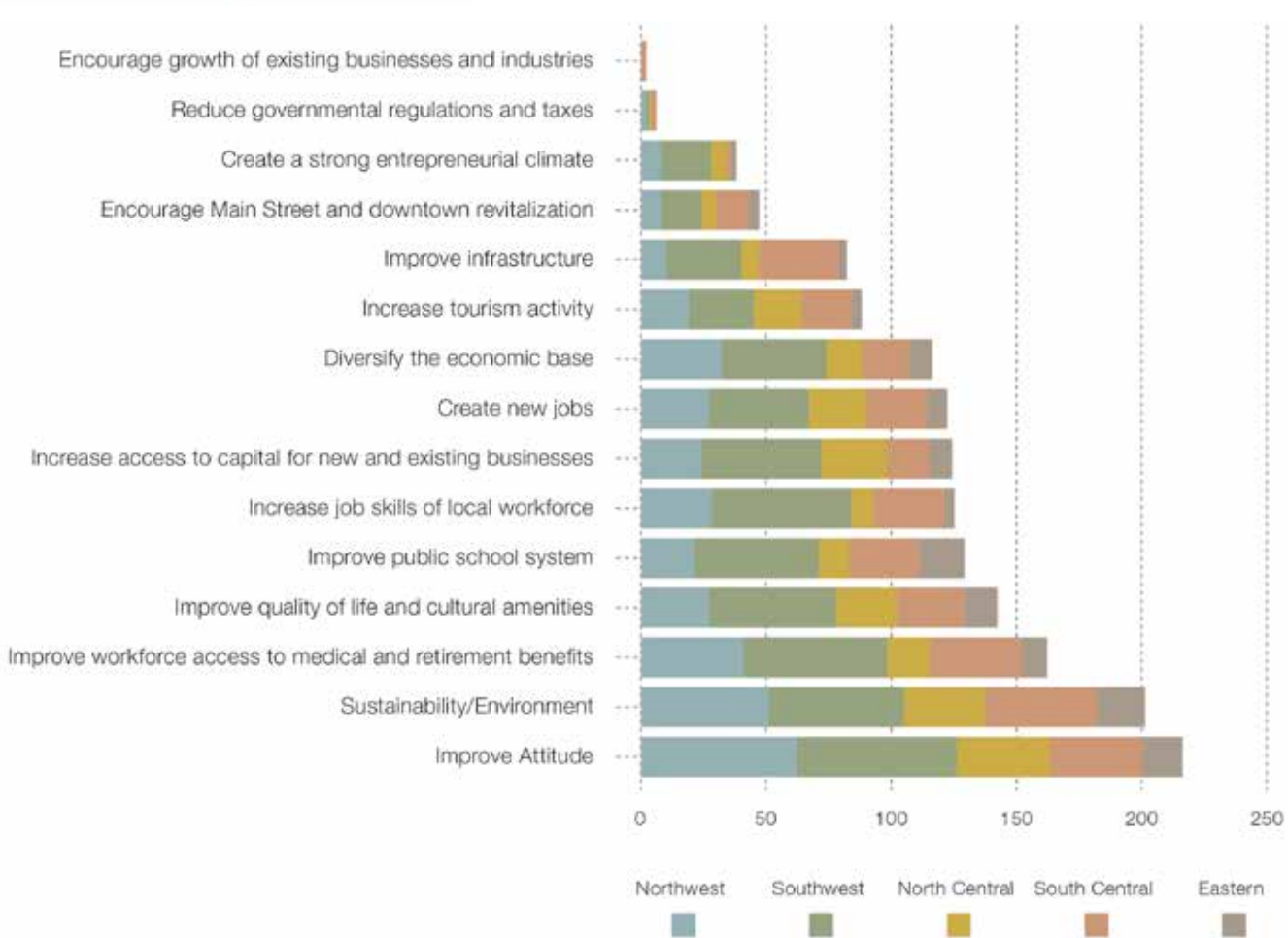


FIGURE B6 ECONOMIC GOALS AND PRIORITIES  
- COUNTY SURVEY





APPENDIX C: INDIAN COUNTRY DATA

FIGURE C1 TRIBAL AFFILIATION

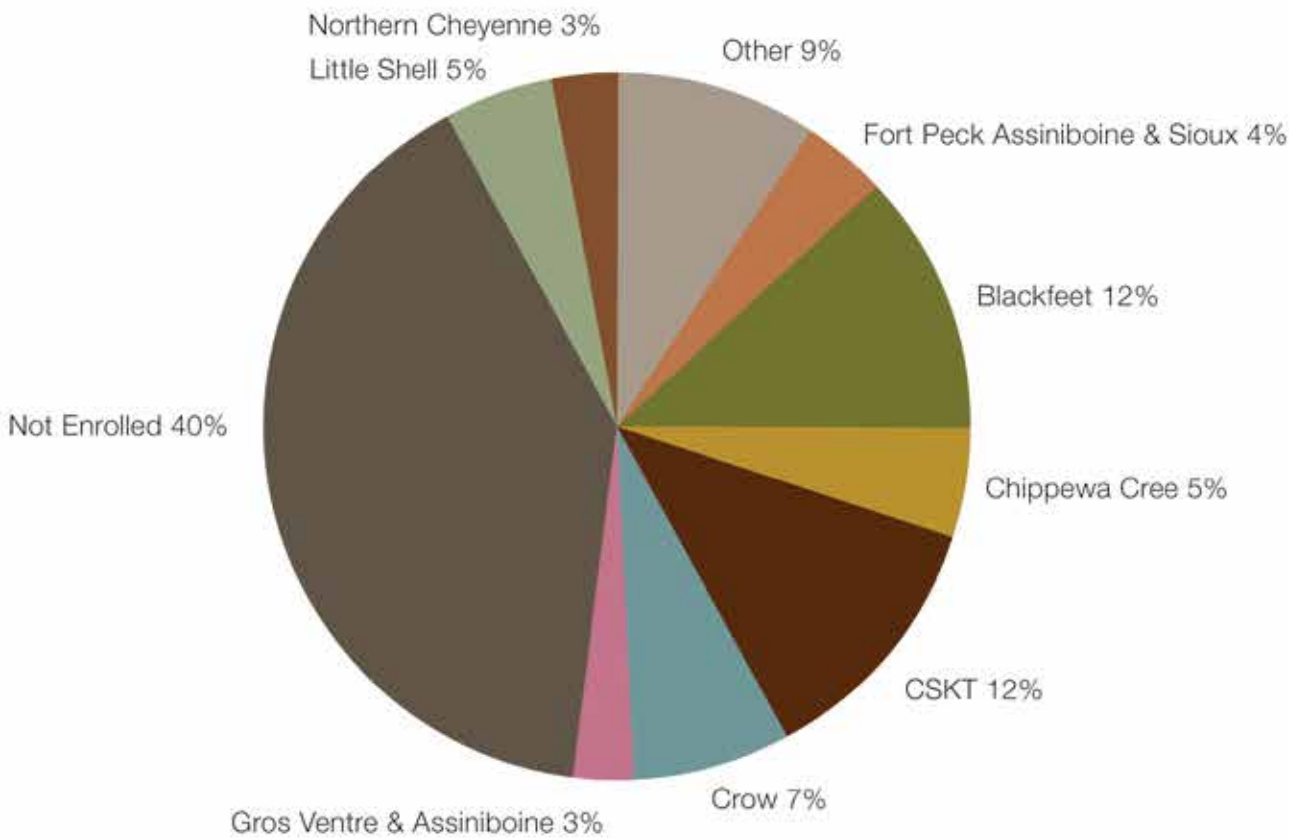
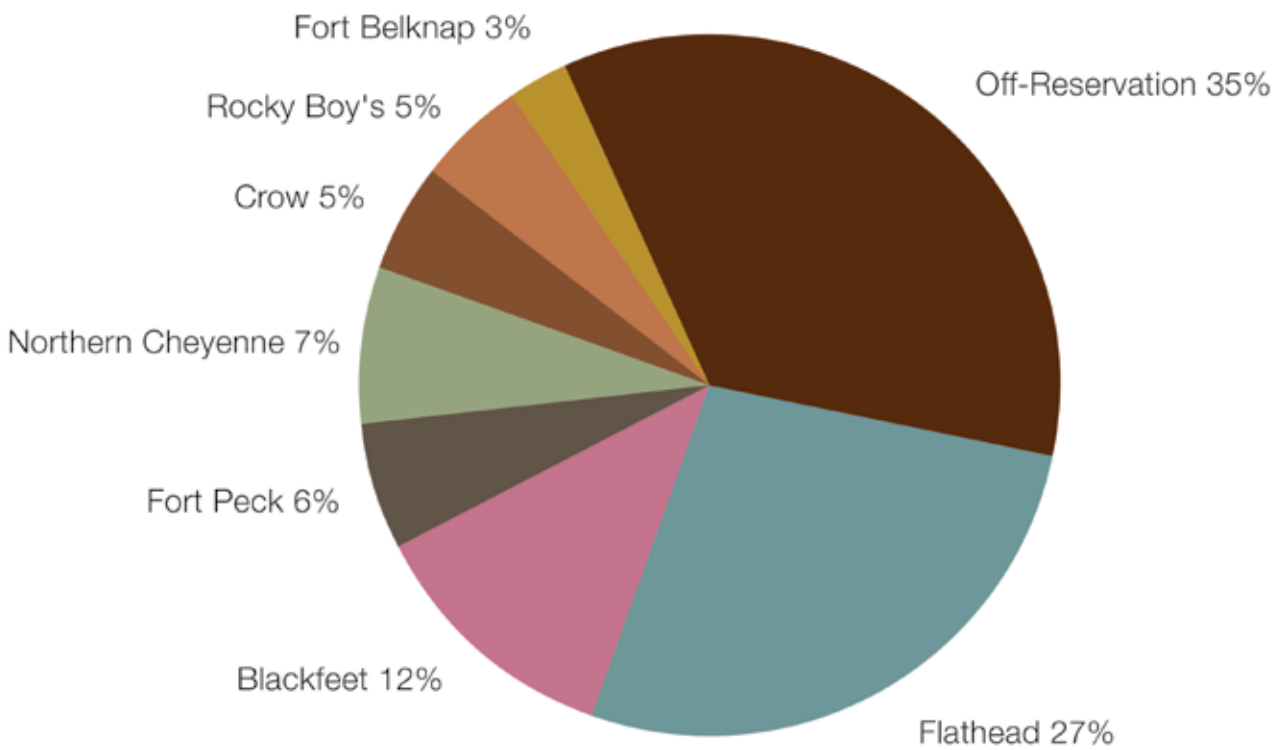


FIGURE C2 WHERE DO YOU LIVE?



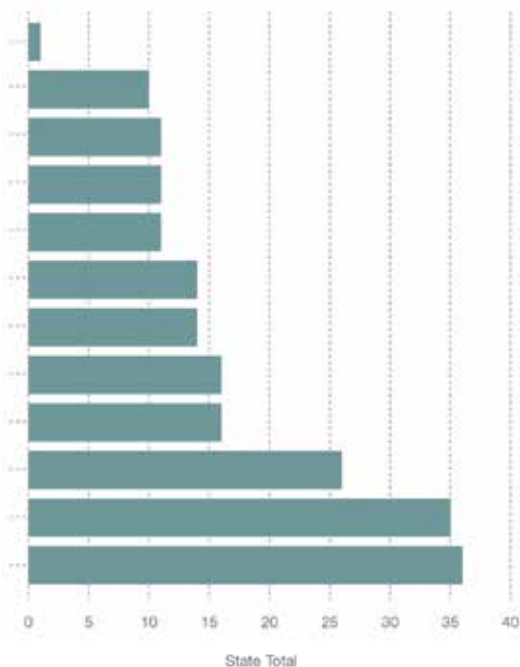


FIGURE C4 ECONOMIC GOALS AND PRIORITIES  
- INDIAN COUNTRY

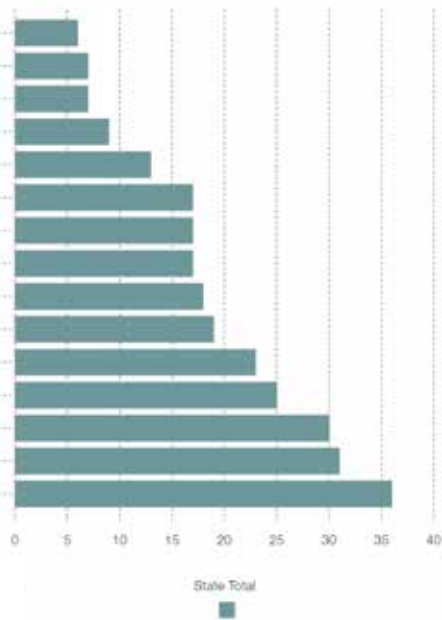
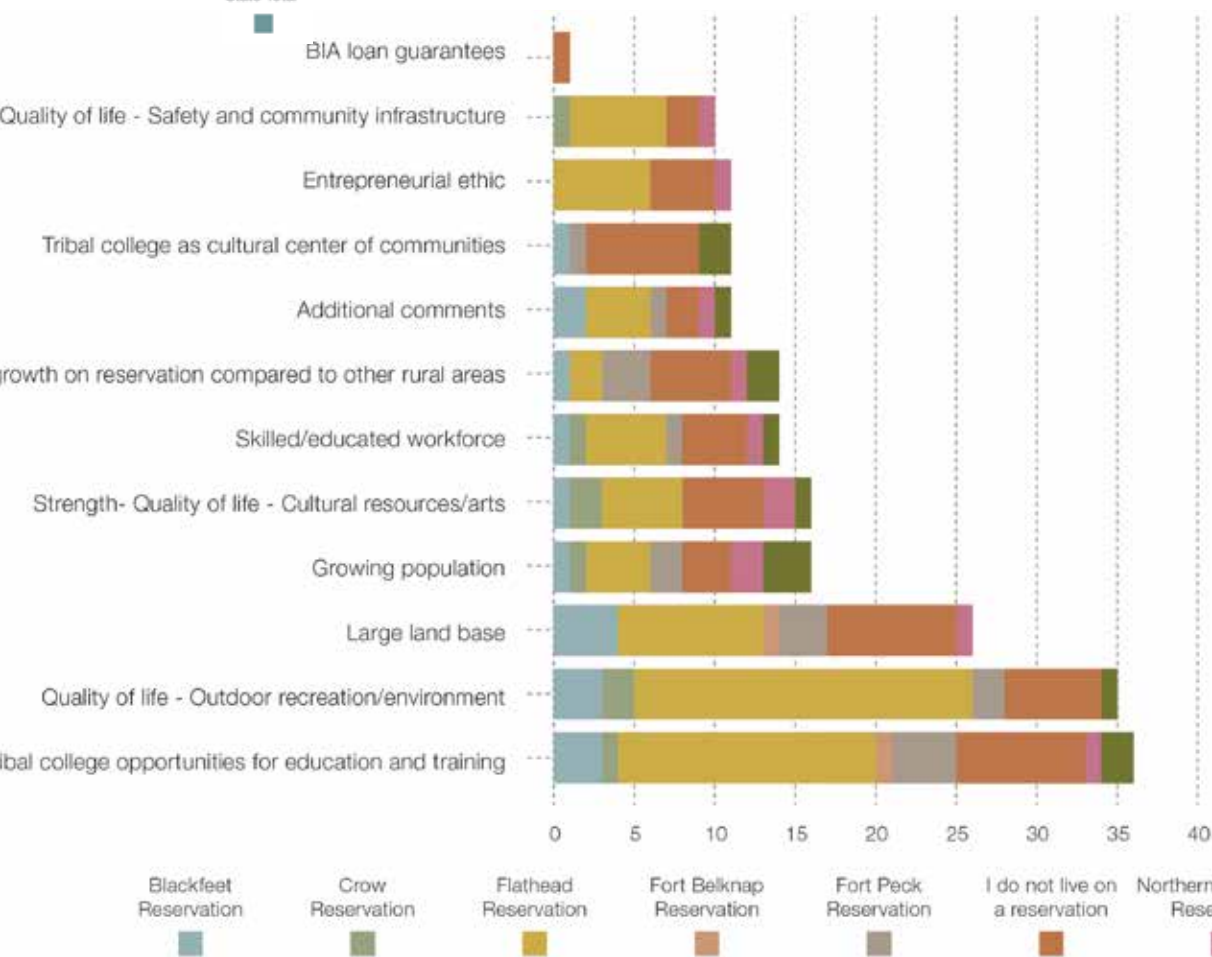
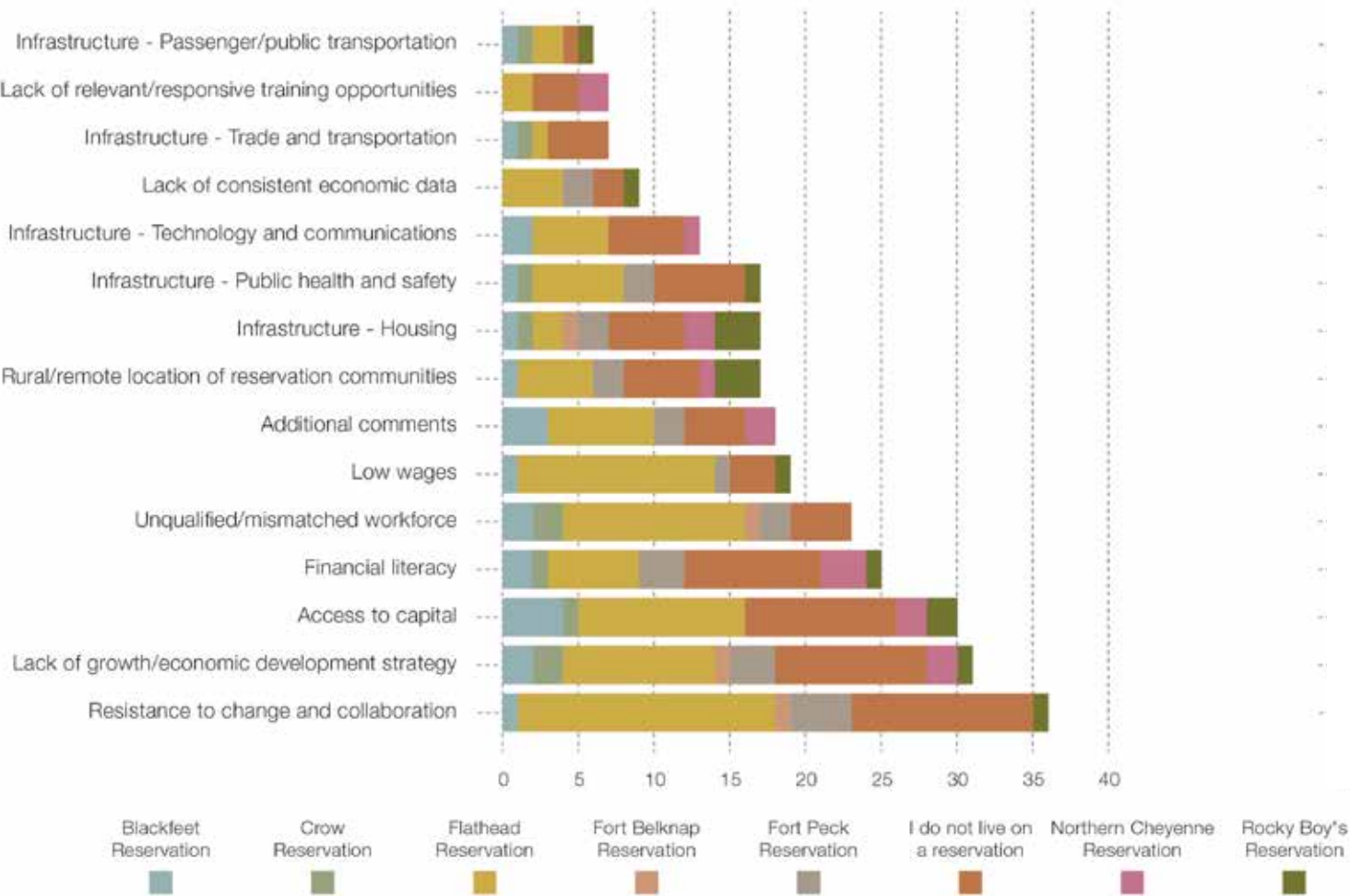


FIGURE C4 ECONOMIC DEVELOPMENT WEAKNESSES  
- INDIAN COUNTRY





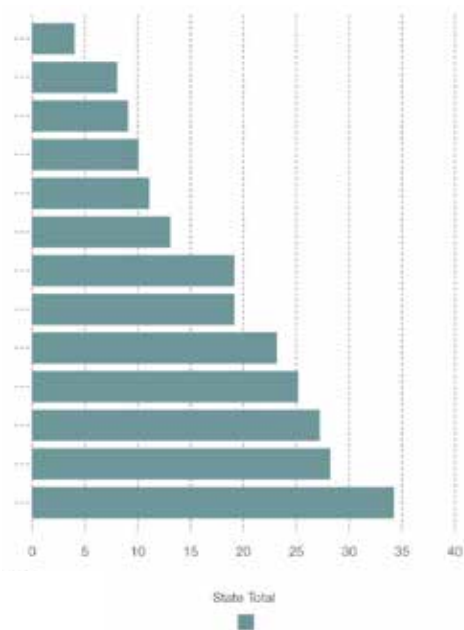


FIGURE C5 CHALLENGES TO ECONOMIC GROWTH  
- INDIAN COUNTRY

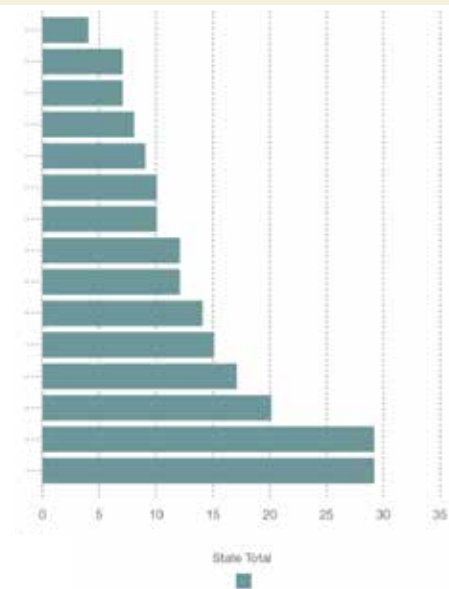
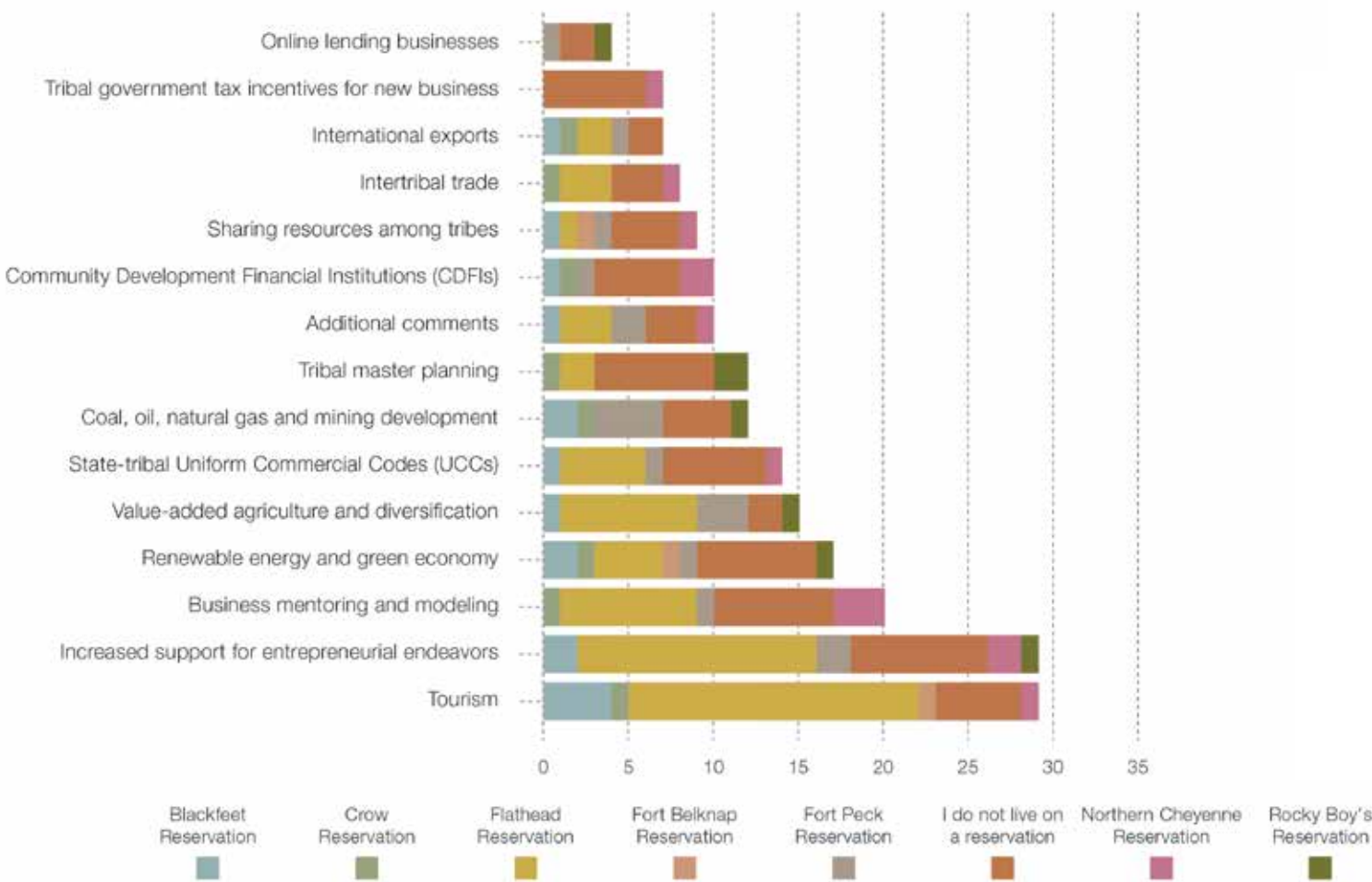
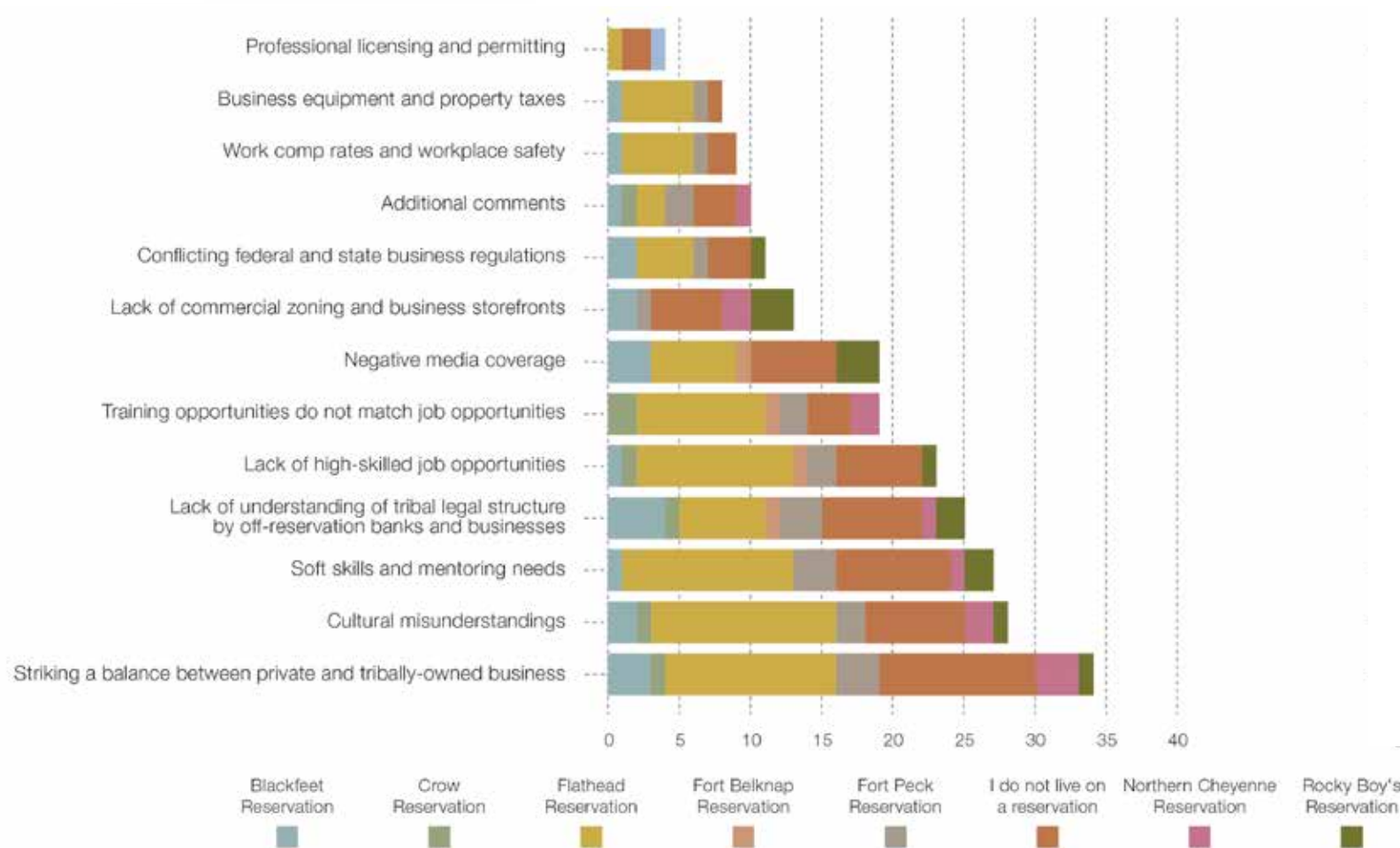


FIGURE C6 CHALLENGES TO ECONOMIC GROWTH  
- INDIAN COUNTRY



APPENDIX D: FACTS ABOUT MONTANA’S  
BUSINESS CLIMATE DATA

FIGURE D1 STATE TAXES IN MONTANA

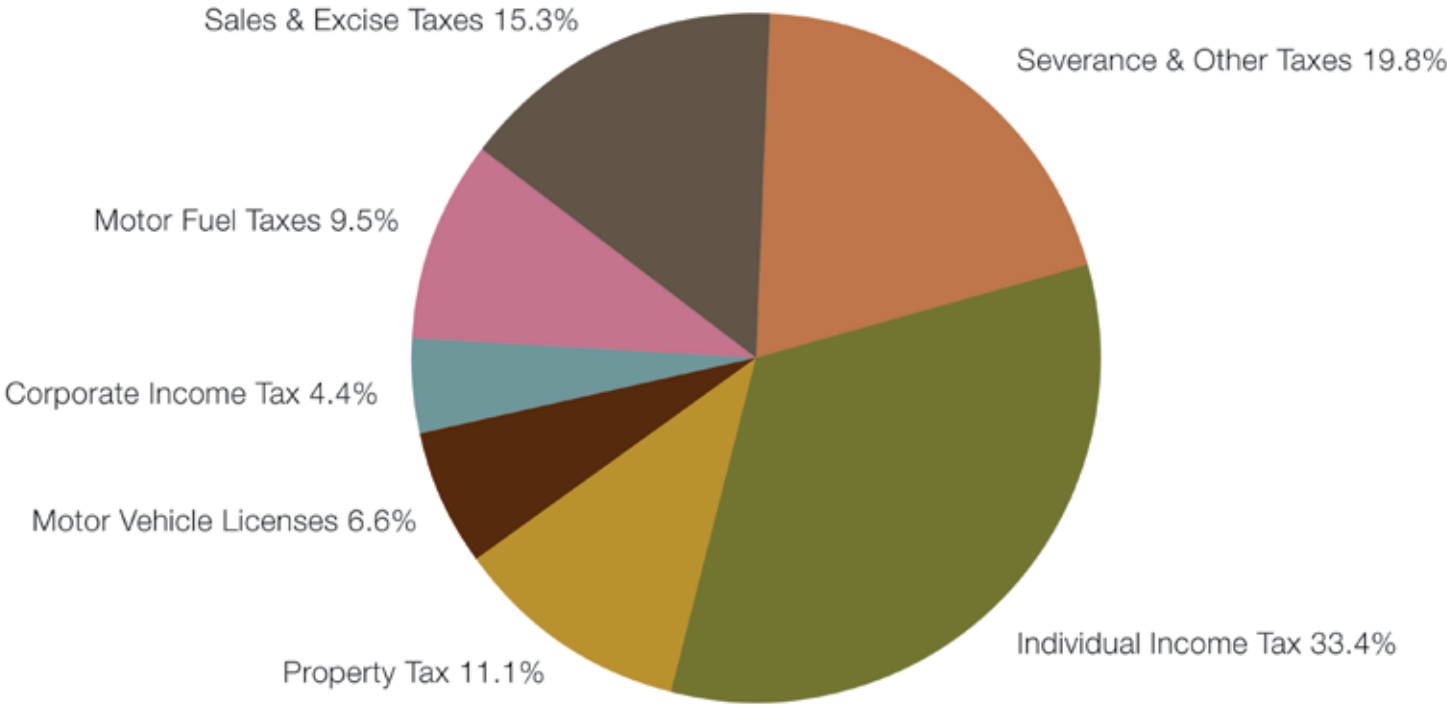
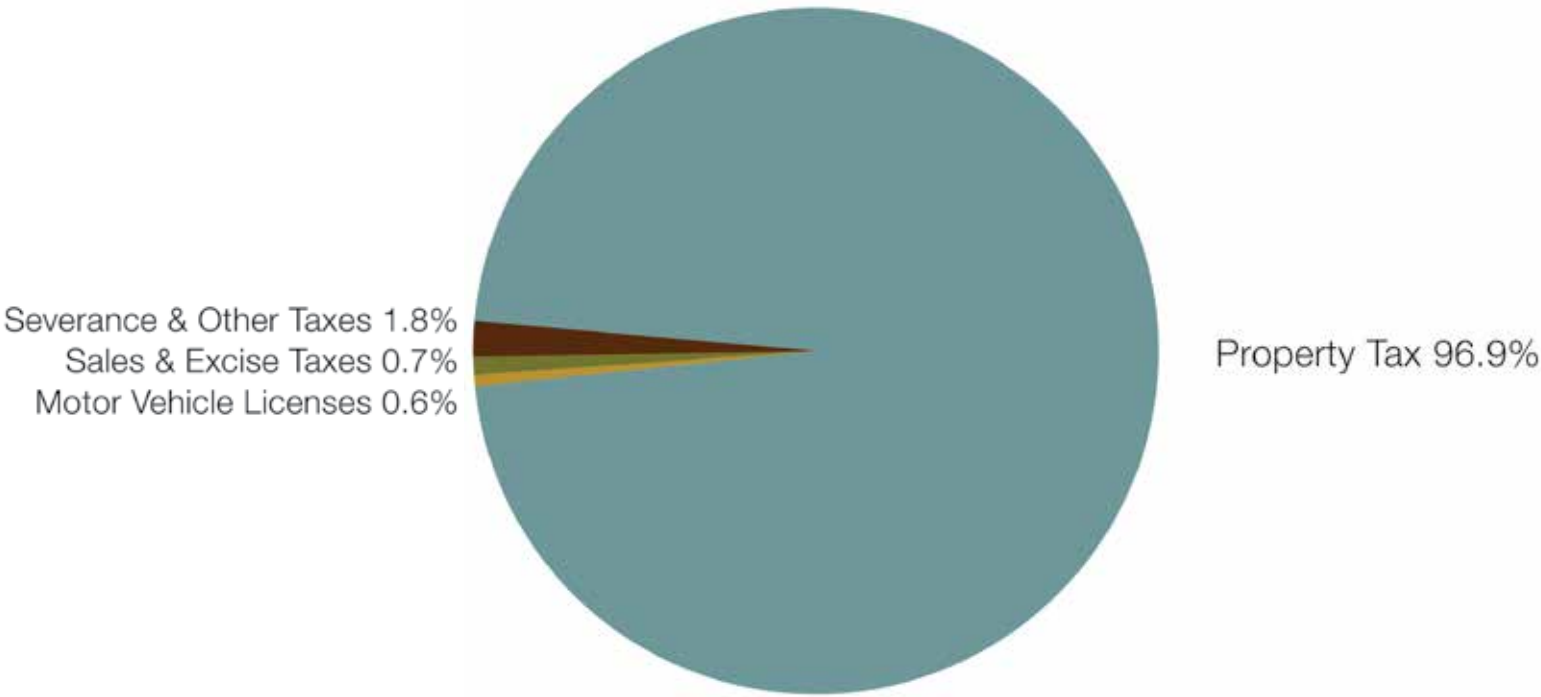


FIGURE D2 LOCAL TAXES IN MONTANA





APPENDIX E: REFERENCES

<sup>i</sup>Montana Department of Labor and Industry. Labor Day 2013. Labor Day Report 2013. Accessible at [http://www.ourfactsyourfuture.org/admin/uploadedPublications/5314\\_LDR-13.pdf](http://www.ourfactsyourfuture.org/admin/uploadedPublications/5314_LDR-13.pdf). Accessed on 2/20/2014.

<sup>ii</sup>Montana Department of Labor and Industry, Research and Analysis Bureau, using personal income data from the REIS system, Bureau of Economic Analysis, U.S. Department of Commerce. Chart constructed using decade averages for easier readability. Services categorized into NAICS in 1990.

<sup>iii</sup>See endnote 2 for source.

<sup>iv</sup>U.S. Census Bureau. American Community Survey 2012 Estimates.

<sup>v</sup>Shor, Boris; McCarty, Nolan, 2013, "Individual state Legislator Shor-McCarty Ideology Data", <http://hdl.handle.net/1902.1/21509>

<sup>vi</sup>Drenkard, Scott and Henschman, Joseph for the Tax Foundation. October 9, 2013. “2014 state Business Tax Climate Index” available at [taxfoundation.org/article/2014-state-business-tax-climate-index](http://taxfoundation.org/article/2014-state-business-tax-climate-index). Accessed on 2/20/2014.

<sup>vii</sup>Rosaen, Alex and Horwitz, Jason for Anderson Economic Group. May 9, 2013. “2013 state Business Tax Burden Rankings: AEG Annual state Rankings, 4th Edition” available at [www.andersoneconomicgroup.com](http://www.andersoneconomicgroup.com). Accessed 2/20/2014.

<sup>viii</sup>In order, the studies referenced are: “2013 Business Facilities Rankings Report-State Rankings.” Business Facilities Magazine; “2013 America’s Top states for Business.” CNBC; “2013 Best states for Business.” Forbes Magazine.

<sup>ix</sup>Montana Department of Revenue, 2010-2012 Biennial Report. Transmitted Dec. 19, 2012. Available at [revenue.mt.gov/home/publications/biennial\\_reports.aspx](http://revenue.mt.gov/home/publications/biennial_reports.aspx). Accessed on 2/20/2014.

APPENDIX F: PHOTO CREDITS

Montana Office of Tourism (Pg. 4, 7, 8, 9, 10, 11, 17, 19, 20, 24, 25, 30, 31, 40, 43, 48-49, 60, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77)

Montana Department of Transportation (Pg. 6, 10-11, 60, 63, 67)

University of Montana; Todd Goodrich (10, 12, 13, 16, 71)

Montana Department of Commerce (Pg. 13, 30, 42, 43)

Montana Department of Labor and Industry (Pg. 4, 5, 62)

SeaCast Inc. Precision Investment Castings (Pg. 18, 34, 35)

Helena College; Todd Goodrich (6, 60, 70)

Montana State University; Kelly Gorham (Pg. 7, 38)

Glacier Country Tourism (Pg. 18, 39)

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Bureau of Business and Economic Research (Pg. 60)

